



**U.S. Department of Housing and Urban Development**

Community Planning and Development

Self-Help Homeownership Opportunity Program (SHOP)

FR-6300-N-19

Application Due Date: 09/10/2019

Self-Help Homeownership Opportunity Program (SHOP)

FR-6300-N-19

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## U.S. Department of Housing and Urban Development

|                                    |  |
|------------------------------------|--|
| <b>Program Office:</b>             | Community Planning and Development                 |
| <b>Funding Opportunity Title:</b>  | Self-Help Homeownership Opportunity Program (SHOP) |
| <b>Announcement Type:</b>          | Initial  |
| <b>Funding Opportunity Number:</b> | FR-6300-N-19                                       |
| <b>Primary CFDA Number:</b>        | 14.247   |
| <b>Due Date for Applications:</b>  | <b>09/10/2019</b>                                  |

### Overview

Prospective applicants should carefully read all instructions in all sections to avoid sending an incomplete or ineligible application. HUD funding is highly competitive. Failure to respond accurately to any submission requirement could result in an incomplete or noncompetitive proposal.

HUD is prohibited from disclosing 1) information regarding any applicant's relative standing, 2) the amount of assistance requested by an applicant, and 3) any information contained in the application. Prior to the application deadline, HUD may not disclose the identity of any applicant or the number of applicants that have applied for assistance.

**For Further Information Regarding this NOFA:** Please direct questions regarding the specific program requirements of this Program Notice of Funding Availability (NOFA) to the office contact identified in Section VII.

OMB Approval Number(s): 2506-0157

### Paperwork Reduction Act.

## I. Funding Opportunity Description.

### A. Program Description.

#### 1. Purpose.

The Self-Help Homeownership Opportunity Program (SHOP) awards grant funds to eligible national and regional non-profit organizations and consortia to purchase home sites and develop or improve the infrastructure needed to set the stage for sweat equity and volunteer-based homeownership programs for low-income persons and families. Through this NOFA, HUD is making \$10,000,000 of FY2019 Self-Help Homeownership Opportunity Program (SHOP) grant funds available to national and regional non-profit organizations and consortia. SHOP funds must be used for eligible expenses to develop decent, safe and sanitary non-luxury housing for low-income persons and families who otherwise would not be able to afford to become homeowners. SHOP units must be decent, safe, and sanitary non-luxury dwellings that comply with state and local codes, ordinances, and zoning requirements, and with all other SHOP

requirements.

Only national and regional non-profit organizations and consortia with experience facilitating innovative homeownership opportunities through the provision of self-help homeownership housing programs are eligible to apply. Applicants must propose to use a significant amount of SHOP grant funds in at least two states. Individuals are not eligible applicants for SHOP grant funds. Applications received from individuals will not be reviewed by HUD.

Land acquisition, infrastructure improvements, and reasonable and necessary planning and administration costs (not to exceed 20 percent) are the only eligible uses for SHOP grant funds. The average SHOP expenditure for the combined costs of land acquisition and infrastructure improvements cannot exceed \$15,000 per SHOP unit. Successful applicants must leverage other public and private funds to pay for the construction or rehabilitation costs of each SHOP unit and for any other program costs that are not assisted with SHOP grant funds.

The SHOP units must be sold to homebuyers at prices below the prevailing market price. Homebuyers must be low-income and must contribute a significant amount of sweat equity towards the development of the SHOP units. Reasonable accommodations must be permitted for individuals with disabilities in order for such individuals to meet hourly sweat equity requirements. A homebuyer's sweat equity contribution cannot be mortgaged or otherwise restricted upon future sale of the SHOP unit. Volunteer labor is also required.

SHOP Grantees may award SHOP grant funds to local non-profit affiliate organizations to carry out the Grantee's SHOP program. These affiliate organizations must be located within the Grantee's service area.

## **2. Changes from Previous NOFA.**

**The FY 2019 SHOP NOFA includes changes to the following:**

### **Preference Points Under V.A.2, Other Factors**

HUD encourages activities in Opportunity Zones (OZ) and activities in collaboration with HBCUs. HUD may award two (2) points for qualified activities supporting either or both initiative(s). In no case will HUD award more than two preference points for these activities.

#### **(1) Opportunity Zones (OZ)**

HUD encourages activities in Opportunity Zones (OZ) communities. HUD will award two (2) points for qualified activities within a designated zone or area. Applicants must specify the impact that they intend to have in an Opportunity Zone. For example, "The proposed home sites and the development or improvement for infrastructure will be done in an Opportunity Zone. This includes the construction of decent, safe, and sanitary non-luxury housing for low-income persons and families who otherwise would not be able to become homeowners."

#### **(2) Historically Black Colleges and Universities (HBCU)**

Applicants partnering with a Historically Black College or University will receive two (2) HBCU preference points when their applications include a letter of Commitment certifying that an HBCU Partnership is in place and signed by an authorizing official of the HBCU and

documentation of the college or university's status as a HBCU. Applicants designated by the U.S. Department of Education as Historically Black College or University HBCUs are not eligible to apply for grant funds or receive points under this NOFA.

### **3. Definitions.**

#### **a. Standard Definitions**

**Affirmatively Furthering Fair Housing (AFFH) Regulations.** Statutory obligation to affirmatively further the purposes and policies of the Fair Housing Act and guidance promulgated thereunder.

**Assurances.** By submitting your application, you provide assurances that, if selected to receive an award, you will comply with U.S. statutory and public policy requirements, including, but not limited to civil rights requirements.

**Authorized Organization Representative (AOR)** is the person authorized to submit applications on behalf of the organization via Grants.gov. The AOR is authorized by the E-Biz point of contact in the System for Award Management. The AOR is listed in item 21 on the SF-424.

**Award**, as used in this NOFA means a federal grant OR cooperative agreement as specified in Section II.E (Type of Funding Instrument).

**Catalog of Federal Domestic Assistance (CFDA)** is a directory of the various Federal listings, projects, services and activities offering financial and non-financial assistance and benefits to the American public. CFDA Number is the unique number assigned to each program, project, service or activity listed in the Catalog of Federal Domestic Assistance (CFDA).

**Consolidated Plan** is a document developed by states and local jurisdictions. This plan is completed by engaging in a participatory process to assess their affordable housing and community development needs and market conditions, and to make data-driven, place-based investment decisions with funding from formula grant programs. (See 24 CFR part 91 for more information about the Consolidated Plan and related Annual Action Plan).

**Contract** means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this NOFA does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward (See 2 CFR 200.22.)

Contractor means an entity receiving a contract.

**Deficiency** is information missing or omitted within a submitted application. Deficiencies typically involve missing documents, information on a form, or some other type of unsatisfied information requirement (e.g., an unsigned form, unchecked box.). Depending on specific

criteria, deficiencies may be either curable or non-curable.

- Curable Deficiency – Applicants may correct a curable deficiency with timely action.

To be curable the deficiency must:

- Not be a threshold requirement, except for documentation of applicant eligibility;
  - not influence how an applicant is ranked or scored versus other applicants; and
  - be remedied within the time frame specified in the notice of deficiency.
- Non-Curable Deficiency – An applicant cannot correct a non-curable deficiency after the submission deadline.

Non-curable deficiencies are deficiencies that, if corrected, would change an applicant's score or rank versus other applicants. Non-curable deficiencies may result in an application being marked ineligible, or otherwise adversely affect an application's score and final determination.

**DUNS Number** is the nine-digit identification number assigned to a business or organization by Dun & Bradstreet and provides a means of identifying business entities on a location-specific basis. Requests for a DUNS number can be made by visiting the Online DUNS Request Portal.

**Eligibility requirements** are mandatory requirements for an application to be eligible for funding.

**Federal Awardee Performance and Integrity Information System (FAPIIS)** is a database that has been established to track contractor misconduct and performance.

**Grants.gov** is the website serving as the Federal government's central portal for searching and applying for federal financial assistance throughout the Federal government. Registration in Grants.gov is required for submission of applications to prospective agencies.

**Historically Black Colleges and Universities (HBCUs).** -The Higher Education Act of 1965 defines historically Black colleges and universities (HBCUs) as "any historically Black college or university that was established prior to 1964, whose principal mission was, and is, the education of Black Americans, and that is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be a reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation..."

**Institution of Higher Education (IHE)**, has the meaning given at 20 U.S.C. 1001.

**Non-Federal Entity** means a state, local government, Indian tribe, institution of higher education (IHE), or non-profit organization carrying out a Federal award as a recipient or sub

recipient.

**Nongovernmental organizations** include Non-Federal entities and for-profit entities for the purpose of calculating indirect cost proposals accompanying applications submitted under this NOFA.

**Personally identifiable information (PII)** means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. For more detail, refer to 2 CFR 200.79.

**Point of Contact (POC)** is the person who may be contacted with questions about the application submitted by the AOR. The point of contact is listed in item 8F on the SF-424.

**Opportunity Zone** according to the IRS, is an “economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment.” Opportunity Zones are further defined in 26 U.S.C. 1400Z.

**Promotores/Promotoras** are Spanish-speaking Community Health Workers who work in their communities to reduce barriers to health services and make health care systems more responsive.

**Recipient** means a non-Federal entity receiving an award directly from HUD to carry out an activity under a HUD program.

**Section 3 Business Concern** means a business concern: (1) 51 percent or more owned by Section 3 residents; (2) of which at least 30 percent of permanent, full-time employees are currently Section 3 residents, or were Section 3 residents within three years of the date of first employment with the business concern; or (3) provides evidence of a commitment to subcontract over 25 percent of the dollar award of all subcontracts to be awarded to business concerns meeting the qualifications in this definition.

**Section 3 Residents** means: 1) Public housing residents; or 2) Low and very-low income persons, as defined in 24 CFR 135.5, who live in the metropolitan area or non-metropolitan county where Section 3 covered assistance is expended.

**Standard Form 424 (SF-424)** means the government-wide forms required to apply for Application for Federal Assistance Programs, required by discretionary Federal grants and other forms of financial assistance programs. Applicants for this Federal assistance program must submit all required forms in the SF-424 Family of forms, including SF-424B. For an application under this notice to be complete, the applicant must sign and submit all required forms in the SF-424 Family.

**Subaward** means an award provided by a pass-through entity to a subrecipient for the

subrecipient to carry out part of a Federal award received by the recipient. It does not include payments to a contractor or payments to an individual beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. The legal agreement must contain the subrecipient's assurance of compliance with program requirements, including but not limited to nondiscrimination and equal opportunity requirements.

**Subrecipient** means a non-Federal entity receiving a subaward from a pass-through entity to carry out part of a HUD program; but does not include an individual beneficiary of such program. A subrecipient may also receive other Federal awards directly from a Federal awarding agency (including HUD).

**System for Award Management (SAM)**, is an official website of the U.S. government. SAM is a U.S. Government system that consolidated the capabilities of Central Contractor Registry (CCR), Excluded Parties List System (EPLS) and the Online Representations and Certifications Application (ORCA). Registration with [Sam.gov](http://sam.gov) is required for submission of applications via Grants.gov. You can access the website at [Sam.gov](http://sam.gov) There is no cost to use SAM.

**Threshold Requirement** – Threshold requirements are a type of eligibility requirement. Threshold requirements must be met for an application to be reviewed; are not curable, except for documentation of applicant eligibility and are listed in Section *III.D Threshold Eligibility Requirements*. Similarly, there are eligibility requirements under Section III.E, *Statutory and Regulatory Requirements Affecting Eligibility*.

#### **4. Program Definitions.**

- (1) Lots Acquired - Lots acquired using SHOP funds that will be used for construction or rehabilitation of a SHOP Unit and conveyance to a SHOP eligible homebuyer.
- (2) Units Under Construction - Units for which ground has been broken and construction is underway but not completed.
- (3) Units Completed - Units for which a Certificate of Occupancy has been issued but the units have not been conveyed.
- (4) Units Conveyed - Units for which titles have been conveyed to SHOP eligible homebuyers.
- (5) Units Occupied - Units occupied by SHOP eligible homebuyers.

#### **5. Web Resources.**

- [Affirmatively Furthering Fair Housing Regulations](#)
- [Code of Conduct list](#)
- [Do Not Pay](#)
- [Dun & Bradstreet](#)
- [Equal Participation of Faith-Based Organizations](#)
- [Federal Awardee Performance and Integrity Information System](#)
- [FFATA Subaward Reporting System](#)



- [Grants.gov](#)
- [Healthy Homes Strategic Plan](#)
- [Healthy Housing Reference Manual](#)
- [HUD Funding Opportunities](#)
- [HUD's Strategic Plan](#)
- [HUD Grants](#)
- [Limited English Proficiency](#)
- [NOFA webcasts](#)
- [Opportunity Zone](#)
- [Procurement of recovered materials](#)
- [Section 3 Business Registry](#)
- [State Point of Contact List](#)
- [System for Award Management \(SAM\)](#)
- [Uniform Relocation Act – Real Property Acquisition and Relocation Requirements](#)
- [USA Spending](#)

## **B. Authority.**

SHOP is authorized by Section 11 of the Housing Opportunity Program Extension Act of 1996 (Public Law 104-120, as amended, 42 U.S.C. 12805 note). HUD's authority for making funding available under this NOFA is the Consolidated Appropriations Act, 2019, Public Law 116-6, approved February 15, 2019.

## **II. Award Information.**

### **A. Available Funds.**

Funding of up to **\$10,000,000** is available through this NOFA.

Additional funds may become available for award under this NOFA, because of HUD's efforts to recapture unused funds, use carryover funds, or because of the availability of additional appropriated funds. Use of these funds is subject to statutory constraints. All awards are subject to the applicable funding restrictions contained in this NOFA.

### **B. Number of Awards.**

HUD expects to make approximately 4 awards from the funds available under this NOFA.

### **C. Minimum/Maximum Award Information.**

**Estimated Total Funding:** Up to \$10,000,000 is available to fund SHOP grant awards under the FY2019 SHOP NOFA.

**Minimum Award Amount:** HUD has not established a minimum award amount; however, the Grantee must complete a minimum of 30 SHOP units. The maximum average SHOP

investment for land acquisition and infrastructure improvements cannot exceed \$15,000 per unit. In addition, up to 20 percent may be approved for reasonable and necessary planning and administration costs.

**Maximum Award Amount:** \$10,000,000.

|                          |                                 |
|--------------------------|---------------------------------|
| Estimated Total Funding: | \$10,000,000                    |
| Minimum Award Amount:    | \$1,145,000 Per Project Period  |
| Maximum Award Amount:    | \$10,000,000 Per Project Period |

#### **D. Period of Performance.**

The Grantee must expend all SHOP grant funds within 24 months of the date that HUD makes the SHOP grant funds available for drawdown in the Grantee's line of credit. However, grant funds provided to a SHOP affiliate that develops five or more SHOP units must be expended within 36 months of the date that HUD makes the SHOP grant funds available for drawdown in the Grantee's line of credit. The Grantee's administrative costs directly related to the management and oversight of affiliates developing five or more SHOP units must also be expended within 36 months of the date the SHOP grant funds are made available in the Grantee's line of credit. HUD will establish a 24-month period of performance in the Disaster Recovery Grant Reporting (DRGR) system. Sixty (60) days before the expiration date of this 24-month period of performance, the Grantee must notify HUD in accordance with instructions in the grant agreement of any affiliates that are developing 5 or more SHOP units and have not fully drawn down their SHOP grant funds in DRGR.

|                               |            |
|-------------------------------|------------|
| Estimated Project Start Date: | 10/15/2019 |
|-------------------------------|------------|

|                             |            |
|-----------------------------|------------|
| Estimated Project End Date: | 10/14/2021 |
|-----------------------------|------------|

|                            |       |
|----------------------------|-------|
| Length of Project Periods: | Other |
|----------------------------|-------|

|   |   |
|---|---|
| Length of Project Periods Explanation of Other: | <b>Timely Performance.</b> The Grantee and its affiliates must develop and convey all SHOP units within 36 months of the end of the applicable period of performance. HUD may grant an extension to a Grantee's performance schedule only when justified by good cause. HUD will require corrective actions when a Grantee fails to satisfy its approved schedule. HUD will note any failure to perform as required under the award as poor performance which may negatively affect an applicant's future SHOP funding. |
|---|---|

#### **E. Type of Funding Instrument.**

|                          |       |
|--------------------------|-------|
| Funding Instrument Type: | Grant |
|--------------------------|-------|

#### **F. Supplementation.**

Not Applicable.

### III. Eligibility.

#### A. Eligible Applicants.

Nonprofits having a 501(c)(3) status with the IRS, other than institutions of higher education  
Nonprofits having a 501(c)(3) or 501(c)(4) status with the IRS, other than institutions of higher education. Eligible applicants include public or private non-profit organizations, or a consortium of public or private non-profit organizations, that have the capacity and experience to provide or facilitate self-help homeownership opportunities on a national or regional basis.

Grantees must directly undertake eligible SHOP activities and/or enter into a written agreement with one or more non-profit affiliate organizations to carry out eligible SHOP activities.

The term “you” as used in this NOFA refers to the SHOP applicant, including all consortium members. The term “consortium” refers to all consortium members. The term “Grantee” refers to a successful SHOP applicant, including all consortium members, that have been awarded SHOP grant funds under this NOFA. The term “affiliate” refers to an eligible non-profit organization that is an affiliate of a SHOP grantee.

#### 1. Definitions

##### a. Eligible SHOP Applicant

**(i) National Organization.** A national organization is a public or private non-profit organization that carries out self-help homeownership housing activities or funds affiliates that carry out self-help homeownership housing activities on a national scale.

**(ii) Regional Organization.** A regional organization is a public or private non-profit organization that carries out self-help homeownership housing activities or funds affiliates that carry out self-help homeownership housing activities on a regional scale. A regional area is a geographic area, such as the Southwest or Northeast that includes at least two states. The states in the region need not be contiguous, and the service area of the organization need not precisely conform to state boundaries.

**(iii) Consortium.** A consortium is two or more public or private non-profit organizations located in at least two states that enter into an agreement to submit a single application for SHOP grant funds to carry out self-help homeownership housing activities on a national or regional basis. Individual consortium members may carry out self-help homeownership housing activities or fund affiliates to carry out self-help homeownership housing activities. The consortium must designate one member as the lead entity to act on behalf of all consortium members. The lead entity must be responsible and accountable for the timely performance and compliance of all consortium members. The consortium must execute a new written agreement with each affiliate that is participating in the consortium's FY2019 SHOP program. The consortium cannot amend a prior written agreement.

##### b. Affiliate Organization ("Affiliate")

Applicants may undertake eligible SHOP activities directly and/or enter into a written agreement with one or more non-profit, affiliate organizations to carry out the SHOP activities. If the applicant will use affiliate organizations, the affiliate must satisfy the following:

**(i) Type of Organization:** Your affiliates must be:

**(a) Subordinate Organization.** A local non-profit self-help homeownership housing organization that is a subordinate organization (i.e., chapter, local, post, or unit) of your central organization and covered by the group exemption issued to the central organization under section 501(c) (3) or 501(c)(4) of the Internal Revenue Code; or

**(b) Organization with an Existing Relationship.** A local non-profit self-help homeownership housing organization with which you have an existing relationship (e.g., you have provided technical assistance, mentoring or funding to the local self-help homeownership housing organization); or

**(c) Organization with a Future Relationship.** A local non-profit self-help homeownership housing organization with which you do not have an existing relationship, but to which you will provide technical assistance, mentoring or funding in accordance with your SHOP application.

**(ii) Service Area.** Your affiliate must be located within your service area.

**(iii) Written Agreement.** You must have a written agreement with each of your affiliates that incorporates the requirements of this NOFA. Your written agreement must describe the SHOP responsibilities of your affiliate. If you are a consortium, each of your affiliates must be linked to an individual consortium member by a written agreement. You must execute a new written agreement with each affiliate that is participating in your FY2019 SHOP program. You cannot amend a prior written agreement.

## **B. Ineligible Applicants.**

## **C. Cost Sharing or Matching.**

This Program requires cost sharing, matching or leveraging as described below.

Generally, federal sources are not allowed to be used as cost share or match unless otherwise permitted by a program's authorizing statute.

There is no matching requirement for SHOP; however, the Grantee is required to leverage resources for the cost of construction and/or rehabilitation of self-help homeownership housing units assisted with SHOP grant funds, and for any other program costs that are not funded with SHOP grant funds. Refer to SHOP NOFA "Rating Factor 4: Leveraging Resources."

## **D. Threshold Eligibility Requirements.**

Applicants who fail to meet any of the following threshold eligibility requirements will be deemed ineligible. Applications from ineligible applicants will not be evaluated.

Outstanding civil rights matters must be resolved to HUD's satisfaction prior to grant award, provided that all applicable legal processes have been satisfied.

**1. Timely Submission of Applications.** – Applications submitted after the deadline stated within this NOFA that do not meet the requirements of the grace period policy will be marked late. Late applications are ineligible and will not be considered for funding. See also Section IV Application and Submission Information, part D. Application Submission Dates and Times.

#### **a. Application Threshold Requirements**

**(i). Timely Application Receipt.** You must submit a timely SHOP application. HUD will not consider an application that does not meet the timely application receipt requirements of this SHOP NOFA. Refer to SHOP NOFA Section IV.D. "Application Submission Dates and Times."

**(ii). No Duplicate Submissions.** You must not propose to fund any affiliate or consortium member under your SHOP application that is also seeking FY2019 SHOP grant funds from another SHOP applicant. If an affiliate or consortium member applies for SHOP grant funds through more than one applicant, HUD will disqualify that affiliate or consortium member from receiving funding.

**(iii). Dun and Bradstreet Data Universal Numbering System (DUNS) and System for Award Management (SAM).** You must have a Dun and Bradstreet Universal Numbering System (DUNS) identifier and maintain active registration in the System for Award Management (SAM), which includes maintaining current information.

Detailed instructions for registration are located on the [Grants.gov](https://www.grants.gov) web page. To apply or search for a DUNS identifier, please visit <https://fedgov.dnb.com/webform>. Registration instructions for SAM are available at [www.sam.gov](https://www.sam.gov).

**(iv). Certification of Consistency with the Consolidated Plan.** This requirement does not apply to the SHOP Program.

#### **b. Applicant Threshold Requirements**

**(i). Eligible Applicant.** HUD may only award SHOP grant funds to organizations that meet all of the following criteria:

**(a) Non-profit Status** - An eligible public or private non-profit organization under Federal, state or tribal law;

**(b) Service Area** – A national or regional organization or consortia (see Section III.A. "Eligible SHOP Applicants" of this NOFA) that serves at least two states; and

**(c) Self-help Homeownership Housing Experience** - An organization experienced in providing or facilitating self-help homeownership housing opportunities as demonstrated by the successful completion of at least 30 self-help homeownership housing units in a national or regional area, consisting of at least two states, within the 24-month period preceding the

submission of your SHOP application. This may include self-help homeownership housing units completed by one or more of your affiliates during this time period, provided these units were undertaken in accordance with a written agreement between you and your affiliate(s). For a dwelling to qualify as a self-help homeownership housing unit, a homebuyer (defined as the individual or individuals who own the completed unit) must have contributed a significant amount of sweat-equity toward the construction or rehabilitation of the unit as set forth in the SHOP NOFA Section III.F.(8) "Sweat Equity."

**(ii). Consortium Agreement.** If you are a consortium, all consortium members must sign and date a written Consortium Agreement for the purpose of applying for SHOP grant funds and carrying out SHOP activities in compliance with this NOFA. This Consortium Agreement must designate a lead entity authorized to submit the SHOP application on behalf of all consortium members. The Consortium Agreement must also state that the lead entity will be accountable for the performance and compliance of the Consortium's SHOP program in accordance with all requirements of this NOFA, and that each consortium member is responsible and accountable for the performance and compliance of its affiliates.

If funded, each consortium member must enter into a separate written agreement with the lead entity. This agreement must include the requirements of the FY2019 SHOP Grant Agreement executed between HUD and the consortium, and set forth each consortium member's responsibilities as described in your approved SHOP application. If the consortium uses affiliates, each affiliate must be linked to a consortium member that is responsible for the timely performance and SHOP compliance of that affiliate.

**(iii). Code of Conduct.** You must develop, maintain and follow a written code of conduct in accordance with 2 CFR 200.318. Your Code of Conduct must be dated and signed by your Executive Director, or the Chair of the governing body of your organization.

**(iv). Section 3 Reporting Requirements.** The Section 3 regulations at 24 CFR part 135, subparts B and E, impose certain reporting requirements on recipients, including the submission of an annual report, using form HUD-60002 on HUD's online system, Section 3 Performance Evaluation and Reporting System (SPEARS) at <http://portal.hud.gov/hudportal/HUD?src=/programoffices/fairhousingequalopp/section3/section3>.

## **E. Statutory and Regulatory Requirements Affecting Eligibility.**

### **Eligibility Requirements for Applicants of HUD's Grants Programs.**

The following requirements affect applicant eligibility. Detailed information on each requirement is posted on HUD's Funding Opportunities Page ([click here](#)).

[Outstanding Delinquent Federal Debts](#)

[Debarments and/or Suspensions](#)

[Pre-selection Review of Performance](#)

[Sufficiency of Financial Management System](#)

[False Statements](#)

[Mandatory Disclosure Requirement](#)

[Prohibition Against Lobbying Activities](#)

[Equal Participation of Faith-Based Organizations in HUD Programs and Activities](#)

## **F. Program-Specific Requirements Affecting Eligibility.**

**(1) Number of SHOP Units.** The SHOP statute requires the Grantee to develop a specific and reasonable number of dwellings using the grant amounts, which number shall be established taking into consideration costs and economic conditions in the areas in which the dwellings will be developed, but in no case shall be less than 30 SHOP units. A "SHOP unit" means a self-help homeownership housing unit on land acquired with SHOP grant funds or for which infrastructure costs are paid with SHOP grant funds. You must propose to complete and convey a minimum of 30 SHOP units. The average SHOP grant expenditure for the combined costs of land acquisition and infrastructure improvements cannot exceed \$15,000 per homeownership unit.

**(2) Service Area.** You must propose to use a significant amount of SHOP grant funds in a national or regional service area consisting of at least two states.

**(3) Eligible Activities.** The SHOP statute requires that "amounts from grants..., including any recaptured amounts, shall be used only for eligible expenses in connection with developing new decent, safe, and sanitary, non-luxury dwellings." There are three categories of eligible SHOP activities. You must propose to use SHOP grant funds only for the cost of eligible SHOP activities. Eligible pre-agreement costs must be incurred on or after the publication date of this NOFA. You may carry out the eligible activities yourself or fund affiliates to carry out your eligible activities. Refer to SHOP NOFA Section IV.F. "Funding Restrictions" for additional guidance on pre-agreement costs, ineligible costs and other restrictions.

**(a) Land Acquisition.** The acquisition of land (including financing and reasonable and customary closing costs) for the purpose of developing or rehabilitating SHOP units is an eligible activity.

(i) "Land" shall mean real property acquired by the Grantee or its affiliate pursuant to a deed or a lease with a term of 99 years or more; except for Guam, the Northern Mariana Islands, the United States Virgin Islands, and American Samoa, the lease term must be 40 years or more, and for Indian trust or restricted lands the lease term must be 50 years or more. Upon request, HUD may approve other lease terms for good cause on a case-by-case basis.

(ii) If you or your affiliate use SHOP grant funds to acquire land with a building or other improvement affixed to it, you or your affiliate must allocate a portion of the acquisition cost to the land and a portion of the acquisition cost to the building or other improvements. Only the portion of the acquisition cost allocated to the land is an eligible land acquisition cost. Land acquisition is subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA). See Section VI.B-Real Property Acquisition & Relocation for additional information.

(iii) You or your affiliate must own the land acquired with SHOP grant funds through completion of the SHOP unit. HUD may grant an exception to the ownership requirement for units also assisted through the United States Department of Agriculture's (USDA) Mutual Self-Help Housing Technical Assistance grants when the potential homebuyer is receiving a USDA Section 502 Direct Loan. The Grantee must submit to HUD a written request for an exception to the ownership requirement prior to the investment of any SHOP grant funds for land acquisition and/or infrastructure improvements.

(iv) On or after the date of this NOFA, you and your affiliate may expend non-

grant funds subject to any requirements that govern the use of such other funds to acquire land, including land acquired before completion of the environmental review process. You may use SHOP grant funds to reimburse these costs after your SHOP Grant Agreement has been executed and the required environmental review process has been successfully completed. Any advances to acquire land prior to successful completion of the required environmental review process are made at the risk of the Grantee and its affiliates, and reimbursement from SHOP grant funds for such advances will depend on the result of the environmental review. These pre-agreement costs must be identified in your SHOP application. Refer to this SHOP NOFA Section IV.F. "Funding Restrictions."

**(b) Infrastructure Improvements.** The installation, extension, construction, rehabilitation, or other improvement of utilities and other infrastructure (including the removal of environmental hazards) in support of the development or rehabilitation of SHOP units are eligible activities. Eligible infrastructure improvement activities include the cost of utility and hook-up fees. Eligible infrastructure improvement activities exclude financing and closing costs.

(i) You or your affiliate must own the land on which infrastructure improvements are undertaken through completion of the SHOP unit. HUD may grant an exception to the ownership requirement for units also assisted through the USDA's Mutual Self-Help Housing Technical Assistance grants when the potential homebuyer is receiving a USDA Section 502 Direct Loan. The Grantee must submit to HUD a written request for an exception to the ownership requirement prior to the investment of any SHOP grant funds for land acquisition and/or infrastructure improvements.

(ii) You or your affiliate must not incur infrastructure improvement costs before the required environmental review process has been successfully completed.

**(c) Planning and Administration.** The reasonable and necessary cost of the planning and administration of your SHOP grant program and activities, including the reasonable and necessary planning and administration costs of your affiliates, is an eligible activity. Eligible costs include staff and overhead costs of implementing your SHOP grant program and activities; providing information to the public about your SHOP grant program and activities which also include costs associated with taking reasonable steps to provide information in the most appropriate manner and language for persons with limited English proficiency and/or persons with disabilities; costs of providing civil rights and fair housing training to your local affiliates; and any expenses involved in affirmatively furthering fair housing.

The indirect costs (such as rent and utilities) of you and your affiliates in carrying out your SHOP grant program and activities are also eligible. You must charge indirect costs in accordance with 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."

You cannot use SHOP grant funds for planning and administration expenses that are not related to your SHOP grant program and activities. Eligible planning and administration costs cannot exceed 20 percent of your SHOP grant.

**(4) Eligible Forms of Ownership.** "Homeownership," "ownership," and "own" mean fee simple title or a 99-year renewable lease, or an equivalent form of ownership approved by HUD. In Guam, the Northern Mariana Islands, the United States Virgin Islands, and American



Samoa, the definition includes renewable leases of 40 years or more. For Indian Trust or restricted lands, the definition includes renewable leases of 50 years or more. Ownership may be subject to mortgages, deeds of trust, or other liens or instruments securing the debt on the property as allowable under State law.

**(5) Property Standards.** The SHOP statute requires that funds be used for quality “decent, safe and sanitary non-luxury dwellings” that “comply with local building safety codes and standards.” You must ensure that all SHOP units developed by you and your affiliates are inspected and comply with all SHOP standards, including but not limited to the following:

**(a) State and Local Building Codes and Standards.** You must ensure that you and your affiliates inspect for and comply with all applicable state and local codes, ordinances, and zoning requirements.

**(b) Energy Efficiency.** You are strongly encouraged, but not required, to meet the standard for ENERGY STAR Certified New Homes (single-family homes and low-rise multifamily properties up to three stories), or for ENERGY STAR Multifamily High Rise (four or more stories). Incorporating energy-efficiency measures in the design, construction, and/or rehabilitation of self-help units reduces the energy cost burden on low-income homebuyers and improve the sustainability and longevity of the units. All applicants are strongly encouraged, but not required, to use ENERGY STAR-labeled appliances and products (when such ENERGY STAR appliances and products exist). You are strongly encouraged, but not required, to provide appropriate guidance to all SHOP homebuyers on the proper use and maintenance of the energy-saving appliances and products installed in their units. Information about ENERGY STAR can be found at <https://www.energystar.gov/>.

**(c) Water Conservation.** You must incorporate specific water conservation measures in the construction and/or rehabilitation of the SHOP units developed by you and your affiliates. All water-usage products installed or replaced in SHOP units, including toilets, showers and faucets, must bear the “WaterSense” label when such WaterSense products exist. You must provide guidance to all SHOP homebuyers on the proper use and maintenance of the water conservation products installed in their units. WaterSense is a water conservation program sponsored by the U.S. Environmental Protection Agency (EPA). Information about WaterSense products can be found at <https://www.epa.gov/watersense>.

**(d) Accessibility for Qualified Individuals with Disabilities.** You and your affiliates must comply with Section 504 of the Rehabilitation Act of 1973 and HUD’s implementing regulations at 24 CFR part 8 concerning accessibility for qualified individuals with disabilities. Your SHOP units must be newly constructed or rehabilitated and meet the requirements of the Uniform Federal Accessibility Standards (UFAS) to be accessible upon request of the homebuyer in accordance with 24 CFR 8.29. You and your affiliates must also comply with accessibility requirements under the Americans with Disabilities Act (ADA) when applicable.

**(6) Homebuyer Income Eligibility.** The SHOP statute requires that funds benefit “low-income families and individuals who otherwise would be unable to afford to purchase a dwelling.” Eligible homebuyer households are low-income individuals and families whose annual incomes do not exceed 80 percent of the median income for the area, as established by HUD with adjustments for household size. You must use income limits for the HOME Investment Partnerships Program, which are updated annually and available at: <https://www.hudexchange.info/manage-a-program/home-income-limits/>. You must use one of

the following definitions of “annual income” to determine whether a homebuyer is income-eligible. You must have procedures to clearly document that assisted homebuyers are income-eligible.

(a) **Annual Income** as defined at 24 CFR 5.609; or

(b) **Adjusted Gross Income** as defined for purposes of reporting under the IRS Form 1040 series for individual Federal annual income tax purposes; or

(c) **Grantee Definition.** You may adopt your own definition of “annual income” to determine whether a homebuyer is income-eligible. This definition must be included in your SHOP Program Design and Scope of Work and approved by HUD.

(7) **Housing Counseling.** If SHOP grantees or affiliates require housing counseling or refer eligible homebuyers to housing counseling, the housing counseling may be subject to HUD’s Housing Counseling rule. Pursuant to § 5.111, beginning August 1, 2020, any housing counseling required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under 24 CFR part 214 to provide housing counseling.

(8) **Sweat Equity.** The SHOP statute requires that self-help homeownership housing opportunities be provided “under which the homeowner contributes a significant amount of sweat equity toward the construction of the new dwellings.”

(a) **Minimum Sweat Equity Contribution.** You must require each SHOP homebuyer, including those with disabilities, to contribute a minimum number of sweat equity hours toward the construction or rehabilitation of the homebuyer’s SHOP unit and/or the homes of other homebuyers participating in the self-help homeownership housing program administered by you or your affiliates. If the homebuyer is one individual, the homebuyer must contribute a minimum of 50 hours of sweat equity. If the homebuyer is more than one individual, the homebuyer must contribute a minimum of 100 hours of sweat equity. Sweat equity includes home construction training, but excludes homebuyer counseling and home maintenance training. You may not make exceptions to these requirements, except that HUD may approve a request to allow volunteers to provide the required sweat equity for a homebuyer who becomes unable to complete his/her sweat equity requirement due to military deployment.

You must grant reasonable accommodations for persons with disabilities in order for them to meet the hourly sweat equity requirements. For example, homebuyers with disabilities may work on less physical tasks or administrative tasks or use volunteers to provide the required sweat equity. If a homebuyer with disabilities uses volunteers, the homebuyer with disabilities must enter into a written three-party agreement with the affiliate or the Grantee (if the Grantee directly administers the program) and the volunteer working on behalf of the homebuyer.

(b) **Value of Sweat Equity Contribution.** You must establish a fair and reasonable method for valuing a homebuyer’s sweat equity contribution that provides, at a minimum, an average hourly rate or equivalent value of \$1,000 per 100 hours of sweat equity for multi-person households, and \$500 per 50 hours of sweat equity for individual member households. The full value of the homebuyer’s sweat equity contribution must count as an equity contribution towards the purchase of the homebuyer’s SHOP unit through either a reduction in the unit’s sale

price, or as a credit towards the unit's contract sale price. The homebuyer's sweat equity contribution cannot be mortgaged or otherwise restricted upon the future sale of the homebuyer's SHOP unit. Refer to SHOP NOFA Section III.E.(11) "Mortgages and Other Loans" for additional guidance.

**(9) Homebuyer Financial Contribution.** The SHOP statute requires that dwellings developed in connection with SHOP assistance be provided to "families and persons who otherwise would be unable to afford to purchase a dwelling." You and your affiliates cannot require the homebuyer to make any upfront financial contribution towards the purchase of the homebuyer's SHOP unit, other than cash contributed for a down payment, and reasonable and customary closing costs.

**(10) Sale Price.** The SHOP statute requires that dwellings constructed in connection with SHOP assistance be made "available at prices below the prevailing market prices." You must sell each SHOP unit below the appraised value of the property. Lenders may charge reasonable and customary closing costs for the area in which the unit is located. The amount of the SHOP unit mortgage or loan may include these closing costs, but the amount of closing costs must be separately identified and not included in the sale price. Refer to SHOP NOFA Section III.F.(11) "Mortgages and Other Loans" for additional guidance.

**(11) Mortgages and Other Loans.** The homebuyer's sweat equity contribution cannot be mortgaged or otherwise restricted upon the future sale of the SHOP unit. To make the cost of homeownership transparent to individual homebuyers, at or before closing you must provide each homebuyer with unit-specific information on the cost and carrying charges for the homebuyer's SHOP unit similar to information required on the HUD-1 "Settlement Charges." The following examples demonstrate compliance with the SHOP restrictions on mortgages:

**(a) Sale Price Reduction.** The SHOP unit sale price is reduced by the value of the homebuyer's sweat equity contribution. On the date of sale, the total amount of all mortgages and other loans for the purchase of the SHOP unit does not exceed the SHOP unit's reduced sale price plus reasonable and customary closing costs.

**(b) Homebuyer Credit.** The value of the homebuyer's sweat equity contribution is treated as a credit towards the SHOP unit sale price. On the date of sale, the total amount of all mortgages and other loans for the purchase of the SHOP unit does not exceed the SHOP unit's sale price plus reasonable and customary closing costs minus the credit for the homebuyer's sweat equity contribution.

**(12) Volunteer Labor.** The SHOP statute requires that activities to develop SHOP-assisted self-help homeownership housing "involve community participation in which volunteers assist in the construction of dwellings." Your SHOP Program Design must include volunteer labor. Volunteer labor is work performed by an individual without promise, expectation, or compensation for the work rendered. Volunteer labor may be professional or non-professional labor performed by community members, other volunteers, or household members who are not homebuyers.

**(13) Leveraged Resources.** The SHOP statute requires that SHOP grantees use their SHOP grant amounts in a manner that "leverages other sources of funding, including private or other public funds," to complete construction or rehabilitation of their SHOP units. You and your

affiliates must obtain commitments of resources (or have the capacity to obtain commitments) necessary to develop the number of SHOP units proposed and cover any other program costs that are not assisted with SHOP grant funds.

**(14) Earnings.** Earnings are SHOP Grant funds. "Earnings" means any interest, fees, loan repayments or other income directly generated by the use of SHOP Grant funds that are received by the Grantee (including consortium members). Earnings also include affiliate repayments to the Grantee of principal and interest on a loan made to the affiliate with SHOP Grant funds. Such loan repayments are Earnings received by the Grantee, even when deposited into a revolving loan fund account.

Any income directly generated by the use of Earnings is also Earnings. You must use all Earnings received as of the end date of the period of performance for SHOP eligible activities, in accordance with your SHOP Grant Agreement. You must report to HUD on the use of these Earnings in accordance with HUD's instructions. Any Earnings that are received by you after the end date of the period of performance are not subjected to the SHOP requirements. These Earnings must be used for affordable housing activity. You may define affordable housing activity.

#### **G. Criteria for Beneficiaries.**

a. Eligible SHOP homebuyer households are low-income individuals and families whose annual incomes do not exceed 80 percent of the median income for the area, as established by HUD with adjustments for household size. Grantees must use income limits for the HOME investment Partnerships Program, which are updated annually and available at: <https://www.hudexchange.info/manage-a-program/home-income-limits/>.

### **IV. Application and Submission Information.**

#### **A. Obtaining an Application Package.**

##### **Instructions for Applicants.**

You must download both the Application Instruction and the Application Package from Grants.gov. You must verify that the CFDA Number and CFDA Description on the first page of the Application Package, and the Funding Opportunity Title and the Funding Opportunity Number match the Program and NOFA to which you are applying.

The Application Package contains the portable document forms (PDFs) available on Grants.gov, such as the SF-424 Family. The Instruction Download contains official copies of the NOFA and forms necessary for a complete application. The Instruction Download may include Microsoft Word, Microsoft Excel and additional documents.

An applicant demonstrating good cause may request a waiver from the requirement for electronic submission. For example, a lack of available Internet access in the geographic area in which your business offices are located. Lack of SAM registration or valid DUNS is not deemed good cause. If you cannot submit your application electronically, you must ask in writing for a waiver of the electronic grant submission requirements. HUD will not grant a waiver if HUD does not receive your written request at least 15 days before the application deadline and if you do not demonstrate good cause. An email request for a waiver sent 15 days before the application is due will also be considered. If HUD waives the requirement, HUD must receive your paper application before the deadline of this NOFA. To request a waiver you must contact:

Jackie L. Williams

Email: [jackie.williams@hud.gov](mailto:jackie.williams@hud.gov)

Director

451 Seventh Street S.W.

Washington, DC 20410

1. For information concerning the Self-Help Homeownership Opportunity Program, contact Thann Young, Senior Community Planning and Development Specialist, Office of Rural Housing and Economic Development, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street, SW, Room 7240, Washington, DC 20410-7000; telephone 1-877-787-2526 (this is a toll-free number) or (202) 708-2290 (this is not a toll-free number). Persons with speech or hearing impairments may access this number via TTY by calling the toll-free Federal Information Relay Service at 800-877-8339.

2. Facsimiles and Videos. HUD will not accept an entire application sent by facsimile (fax). Videos cannot be submitted via the [Grants.gov](https://www.grants.gov) system and will not be accepted as a separate submission. Any video submitted as part of an application will not be viewed.

## **B. Content and Form of Application Submission.**

You must verify that boxes 11, 12, and 13 on the SF424 match the NOFA for which you are applying. If they do not match, you have downloaded the wrong Application Instruction and Application Package.

Submission of an application that is otherwise sufficient, under the wrong CFDA and Funding Opportunity Number is a curable deficiency.

### **1. Content.**

Forms for your package include the forms outlined below:

| Forms / Assurances | Submission Requirement | Notes / Description |
|--------------------|------------------------|---------------------|
|--------------------|------------------------|---------------------|

| / <b>Certifications</b>                                 |  |   |
|---|--|---|
| SF424 Application for Federal Financial Assistance      |  | Your organization's nine-digit ZIP code must be included in Box 8d. |
| HUD 424 CB Grant Application Detailed Budget            |  |   |
| HUD 424 CBW Grant Application Detailed Budget Worksheet |  |   |
| HUD Applicant Recipient Disclosure Report (HUD 2880)    |  |   |
| SF LLL Disclosure of Lobbying Activities                |  | Submit as applicable.   |

Additionally, your complete application must include the following narratives and non-form attachments.

You must meet all the requirements for application submission and receipt that are described in this NOFA. All of the information needed to apply for a SHOP grant is contained in this NOFA and the application and instructions download found at Grants.gov. If there is a discrepancy between the information posted on Grants.gov and any material published by HUD on its website or other information provided in paper copy, the information posted on Grants.gov prevails.

**a. Applicant Eligibility (no page limit).**

You must submit the following information to document that your organization or consortium qualifies as an eligible SHOP applicant:

**(1) Experienced National or Regional Self-help Housing Non-profit**

(a) **Non-profit Status.** A narrative statement that clearly demonstrates how your organization or consortium qualifies as a national or regional public or private non-profit self-help homeownership housing organization as defined in SHOP NOFA Sections III.A. and III.D.1.b.

If you are not a current SHOP grantee you must submit evidence that you qualify

as an eligible public or private non-profit organization under Federal, state or tribal law (such as a current Internal Revenue Service (IRS) ruling that your organization is exempt from taxation under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986).

If you are a consortium, you must also submit evidence of the non-profit status of each consortium member that does not currently receive SHOP grant funds. This evidence must be provided in an appendix.

(b) **Service Area.** A narrative statement that demonstrates that you have completed self-help homeownership housing units in a national or regional area consisting of at least two states. The narrative statement must identify the county, parish, state or region of the country where your completed self-help homeownership housing units are located.

(c) **Self-help Homeownership Housing Experience.** A narrative statement that clearly demonstrates that your organization or consortium has completed at least 30 self-help homeownership housing units, in a national or regional area consisting of at least 2 states, within the past 24 months. The developed units must have included a significant contribution of homebuyer sweat equity and volunteer labor. The narrative statement must include the following:

- i. The dates for your 24-month reporting period, which should end as close as possible to the submission of your SHOP application,
- ii. The specific number of units completed,
- iii. The average number of sweat equity hours contributed by each homebuyer, and
- iv. The average number of volunteer labor hours contributed for each unit.

(2) **Consortium Members and Agreement (if applicable).** If you are a consortium, you must submit, in an appendix, a list of all consortium members. The list must include the following:

- (a) Each member's full name,
- (b) Mailing address,
- (c) Service area (i.e., city, county or parish and state),
- (d) Share of proposed SHOP grant funds, and
- (e) Number of SHOP units each member anticipates constructing should you receive SHOP grant funds.

You must submit, in an appendix, a copy of your Consortium Agreement executed and dated in accordance with the guidance provided in Section III.D.1.b.(ii) of this NOFA.

(3) **Code of Conduct.** You must describe how you will ensure that all officers, employees, and agents of your organization are aware of your organization's Code of Conduct. You must submit a copy, in an appendix, of your written Code of Conduct that complies with the requirements set forth in Section III.D1.b.(iii) of this NOFA.

**b. Applicant Eligibility (no page limit).**

You must submit the following information to document that your organization or consortium qualifies as an eligible SHOP applicant:

**(1) SHOP Program Design and Scope of Work (25 page limit).** You must submit a summary and narrative description of your Program Design and Scope of Work. If you are awarded a SHOP grant, your approved Program Design and Scope of Work will be incorporated by reference into your SHOP Grant Agreement. Your Program Design and Scope of Work is limited to 25 pages, not including your summary and appendices. HUD may ask you to amend certain sections that do not affect your compliance with the NOFA threshold requirements or your application's rating score and ranking. Refer to SHOP NOFA Section III.D. for a description of the threshold requirements.

Your SHOP Program Design and Scope of Work must address the following:

**(2) SHOP Program Summary.** You must provide a summary of the key elements of your SHOP Program Design and Scope of Work. This summary does not count towards your 25 page limit. At a minimum, your summary must include:

- (a) Name of SHOP grantee
- (b) Consortium: Yes\_\_\_\_\_ No\_\_\_\_\_
- (c) Name of lead consortium entity (if applicable): \_\_\_\_\_
- (d) A list of consortium members (if applicable): \_\_\_\_\_
- (e) Amount of SHOP grant request: \$\_\_\_\_\_
- (f) Total budget: \$\_\_\_\_\_
- (g) Leveraged resources: \$\_\_\_\_\_; \_\_\_\_\_%
- (h) SHOP grant funds for land acquisition: \$\_\_\_\_\_; \_\_\_\_\_%
- (i) SHOP grant funds for infrastructure improvements: \$\_\_\_\_\_; \_\_\_\_\_%
- (j) SHOP grant funds for planning and administration: \$\_\_\_\_\_; \_\_\_\_\_%
- (k) Indirect cost rate:

| <u>Administering Grant/Consortium Member</u> | <u>Indirect Cost Rate</u> |
|--|---------------------------|
| <u>Direct Cost Base</u>                      |                           |
| _____  | _____ %                   |
| _____  |                           |
| _____  | _____ %                   |
| _____  |                           |
| _____  | _____ %                   |
| _____  |                           |



(l) Pre-agreement costs: Yes \_\_\_\_\_ No \_\_\_\_\_; if Yes, list type and SHOP grant fund amount

(m) Affiliates: Yes \_\_\_\_\_ No \_\_\_\_\_; if Yes, Number \_\_\_\_\_ Actual \_\_\_\_\_ Anticipated \_\_\_\_\_

(n) Service area: National \_\_\_\_\_ Regional (specify, including states): \_\_\_\_\_

(o) Total number of SHOP units: \_\_\_\_\_

(p) Proposed form(s) of ownership:

\_\_\_\_\_ Fee-simple

\_\_\_\_\_ 99-year Lease

\_\_\_\_\_ Other, Define: \_\_\_\_\_

(q) Number of newly constructed units: \_\_\_\_\_ or \_\_\_\_\_%

(r) Number of gut rehabilitated units: \_\_\_\_\_ or \_\_\_\_\_%

(s) Number of other rehabilitated units: \_\_\_\_\_ or \_\_\_\_\_%

(t) Number of UFSA accessible units: \_\_\_\_\_; \_\_\_\_\_%

(u) Number of visitable units: \_\_\_\_\_; \_\_\_\_\_%

(v) Number of Universal Design units: \_\_\_\_\_; \_\_\_\_\_%

(w) Number of Green and/or energy efficient units: \_\_\_\_\_; \_\_\_\_\_%

(x) Definition of annual income: \_\_\_\_\_ (list all definitions)

(y) Minimum sweat equity hours, one individual: \_\_\_\_\_ hours

(z) Minimum sweat equity hours, more than one individual: \_\_\_\_\_ hours

(aa) Average volunteer labor hours per SHOP unit: \_\_\_\_\_ hours

(bb) Maximum monthly housing payment: \_\_\_\_\_% of income

(cc) Pre-purchase counseling: \_\_\_\_\_% of homebuyers

(dd) Availability of post-purchase counseling: \_\_\_\_\_% of homebuyers in need of intervention

(ee) Conveyance date of all SHOP units: \_\_\_\_\_

(ff) Other (optional; specify): \_\_\_\_\_

**(3) SHOP Budget.** You must submit a completed form HUD-424-CB “Grant Application Detailed Budget” and form HUD-424-CBW “Grant Application Detailed Budget Worksheet.” Budget amounts on the HUD-424-CB and HUD-424-CBW must agree, and must be consistent with amounts stated elsewhere in your SHOP application.

(a) **HUD-424-CB.** You must submit a detailed SHOP budget on the form HUD-424-CB “Grant Application Detailed Budget.” You must submit a separate HUD-424-CB for Year 1, Year 2, Year 3 and “All Years.”

(b) **HUD-424-CBW.** You must submit a HUD-424-CBW “Grant Application

Detailed Budget Worksheet” that supports your HUD-424-CB “All Years” budget total. Your budget estimates must include the following:

**i. Budget Line Items.** You must include a budget line item under the appropriate budget category for:

- (1) Each proposed activity funded by both your SHOP funds and leveraged funds (i.e. land acquisition, infrastructure improvements, construction, rehabilitation, and planning and administration).
- (2) Monitoring of your SHOP activities (including monitoring of your consortium members and affiliates).
- (3) Compliance costs associated with ENERGY STAR (as applicable), water conservation, lead safety and accessibility.
- (4) If your budget includes the value of donations (land, materials and professional services), and/or volunteer labor contributions, you must include a separate budget column for the value of each type of contribution.
- (5) If the value of the homebuyer sweat equity contribution is included in your total budget, you must include a separate budget column for this value (note: each homebuyer must receive the full value of the homebuyer’s sweat equity contribution as an equity contribution towards the purchase of the homebuyer’s SHOP unit).

**ii. Leveraged Funds.** You must include a separate column or columns for leveraged funds. On the summary "Analysis of Total Estimated Costs," you must enter the total of all Leveraged funds on the "Match" line.

The thoroughness and consistency of your SHOP budget will be evaluated under Rating Factor 3.

**(4) SHOP Grant Schedule.** You must submit a SHOP Grant Schedule that includes quarterly production and performance benchmarks for:

- (a) If applicable, the selection of your SHOP affiliates,
- (b) Expenditure of your proposed SHOP grant funds by the end of the period of performance,
- (c) Completion of land acquisition,
- (d) Completion of infrastructure improvements,
- (e) Construction or rehabilitation of your SHOP units no later than 36 months after the end of the period of performance, and
- (f) Conveyance of your SHOP units to eligible homebuyers no later than 36 months after the end of the period of performance.

Refer to SHOP NOFA Section VI.A.4 “Performance and Compliance.”

Your SHOP Grant Schedule will be rated under Rating Factor 3 of this NOFA. If funded,

HUD will incorporate your SHOP Grant Schedule, including any amendments, into your SHOP Grant Agreement.

**(5) Service Area.** You must describe your national or regional service area and how you will ensure that you will use a significant amount of SHOP grant funds in at least two states.

- (a) If you have selected your target areas or sites, you must identify the county or parish, state or region of the country you will serve.
- (b) If you have not selected your target areas or sites, you must describe your selection criteria.

**(6) Property Standards.** You must describe how your completed SHOP units will be inspected to ensure good condition and comply with the following:

- (a) All applicable state and local building codes and standards.
- (b) Energy efficiency requirements, including how you will ensure that all SHOP homebuyers are provided guidance on the proper use and maintenance of the energy-saving features, appliances and products that have been installed in their units if applicable.
- (c) Water conservation requirements, including providing all SHOP homebuyers with guidance on the proper use and maintenance of the water conservation products that have been installed in their units.
- (d) Accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and HUD's implementing regulations at 24 CFR Part 8 concerning accessibility for qualified individuals with disabilities. SHOP units must be made accessible upon request of the homebuyer in accordance with 24 CFR 8.29. You and your affiliates must also comply with accessibility requirements under the Americans with Disabilities Act (ADA) when applicable.
- (e) Any other property standards that will apply to your SHOP units.

If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your requirements.

**(7) Homebuyer Income Eligibility.** You must state the definition(s) of annual income you will use in your program. Refer to SHOP NOFA Section III.F.(6) "Homebuyer Income Eligibility" for additional guidance.

**(8) Housing Counseling.** If SHOP grantees or affiliates require housing counseling or refer eligible homebuyers to housing counseling, the housing counseling may be subject to HUD's Housing Counseling rule at 24 CFR part 214. Pursuant to 24CFR 5.111, beginning August 1, 2020, any housing counseling required under or provided in connection with any program administered by HUD shall be provided only by organizations and counselors certified by the Secretary under 24 CFR part 214 to provide housing counseling."

**(9) Sweat Equity.** You must describe your program's requirements for sweat equity contributions from your homebuyers including:

- (a) The types of tasks required,

- (b) The minimum number of sweat equity hours required from each homebuyer,
- (c) The construction training and supervision you will provide to each homebuyer to ensure that the homebuyer is able to complete the assigned tasks in accordance with your standards, including property standards.
- (d) The fair and reasonable method or methods for valuing each homebuyer's sweat equity contribution that provides, at a minimum, an hourly rate or equivalent value of \$1,000 per 100 hours of sweat equity if the homebuyer is more than one individual, and \$500 per 50 hours of sweat equity if the homebuyer is an individual. Each method must take into consideration the type of sweat equity performed and the number of sweat equity hours contributed. If you will use more than one method, you must describe when each method will apply.
- (e) How each homebuyer will be informed about the sweat equity requirements and how his/her sweat equity contribution will be valued.
- (f) How you will provide reasonable accommodations for persons with disabilities.

If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your requirements.

Your program's sweat equity requirements, specifically your method(s) for valuing the homebuyer's sweat equity contribution, will be evaluated under Rating Factor 3 of this NOFA. Refer to SHOP NOFA Section III.F.(8). "Sweat Equity" for additional guidance. During the rating and award process, HUD will also consider the degree to which the homebuyer sweat equity contributes to a reduction in the sales price.

**(10) Volunteer Labor.** You must describe your program's approach for involving volunteer labor including:

- (a) The projected sources of volunteer labor contributions,
- (b) The types of tasks typically performed,
- (c) The training and supervision you will provide to each volunteer to ensure that the volunteer is able to complete the assigned tasks in accordance with your standards, including property standards.
- (d) An estimate of the average number of volunteer labor hours per SHOP unit.

If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your requirements.

**(11) Homebuyer Financial Contribution.** You must describe how you will ensure that SHOP homebuyers are not required to make any upfront financial contribution towards the purchase of their SHOP units, other than cash contributed for a down payment, and reasonable and customary closing costs. You must define "reasonable and customary closing costs."

If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your requirements.

**(12) Sale Price.** You must describe how you will determine the sale price for your SHOP units and ensure that each SHOP unit is sold below the appraised value of the property.

Specifically, you must address how each of the following SHOP requirements will affect the sales price of your SHOP units:

- (a) The value of donated land, material and professional services,
- (b) The value of volunteer labor, and
- (c) The full value of the homebuyer's sweat equity contribution, either as a reduction of the homebuyer's SHOP unit sale price or credit towards the purchase of the homebuyer's SHOP unit.

You must describe how you will ensure that the amount of any reasonable and customary closing costs is separately identified and not included in the sale price.

If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your requirements.

**(13) Mortgages and Other Loans.** You must describe how you will ensure that the homebuyer's sweat equity contribution will not be mortgaged or otherwise restricted upon future sale of the SHOP unit. You must describe how you will provide each homebuyer, at or before closing, unit-specific information on the cost and carrying charges of the homebuyer's SHOP unit that is similar to the information required for the HUD-1 "Settlement Charges."

If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your requirements.

**(14) Affirmatively Furthering Fair Housing.** You and your affiliates must affirmatively further fair housing. This includes describing your affirmative marketing requirements and procedures including:

- (a) The methods and materials you will use to reach potential homebuyers in your proposed housing market area, including persons least likely to apply without special outreach.
- (b) The alternative formats you will use to effectively reach persons with disabilities in accordance with the requirements of 24 CFR 8.6. All materials, notices, and communications used shall be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities, consistent with Section 504 of the Rehabilitation Act of 1973 and HUD's Section 504 regulations. (see 24 CFR 8.6). You and your affiliates must also provide reasonable accommodations when they may be necessary for persons with disabilities. All methods that include public meetings must be held in facilities that are physically accessible to persons with disabilities. Where physical accessibility is not possible, you must give priority to alternative methods of delivery that offer qualified individuals with disabilities the most integrated setting appropriate in accordance with 24 CFR part 8.
- (c) The reasonable steps you will take to ensure meaningful access to persons with limited English proficiency. Refer to HUD's "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Affecting Limited English Proficient Persons" (72 Fed. Reg. 2732, January 22, 2007) for assistance.

(d) The steps you will take to encourage racial and ethnic diversity in the selection of your SHOP housing sites. If you will use a competitive process to select sites and/or affiliates, you must describe how your competitive selection criteria will consider racial and ethnic diversity. If you will use affiliates, you must describe how you will ensure that your affiliates will comply with your requirements.

**(15) Economic Opportunities for Low- and Very Low-Income Persons (Section 3).**

You must describe how you and your affiliates will provide employment and job training opportunities for local area residents and businesses including:

- (a) Your methods for reaching out to local area residents and businesses,
- (b) Whether you will provide employment and job training opportunities that meet or exceed the minimum Section 3 requirements (consistent with existing State and local laws and regulations), and
- (c) Whether you will award new contracts for construction projects that meet or exceed the minimum Section 3 requirements.

Your plans to train and employ Section 3 residents and contract with Section 3 businesses will be evaluated under Rating Factor 3 of this NOFA.

**(16) Audit.** You must identify the date of your last audit and when the next audit is due. If your audit is overdue, you must describe the reasons. You must describe any audit findings and the actions you took or are taking to resolve these findings.

HUD will evaluate your justification for any delays in completing your audit, the severity of any audit findings, and the actions you are taking to resolve any findings in Rating Factor 1 of this NOFA.

**(17) Affiliates (if applicable).** You must state whether you propose to use affiliates to undertake your SHOP activities.

If you have already selected your affiliates, you must provide a list, in an appendix, of all participating affiliates including:

- (a) Affiliate's full name,
- (b) Service area (city, county or parish and state),
- (c) Proposed funding request, and
- (d) The number of SHOP units each affiliate anticipates constructing or rehabilitating should you receive FY2019 SHOP grant funds.
- (e) Whether the affiliate has previously participated in your SHOP or self-help homeownership housing program.
- (f) For consortia, you must also identify the consortium member to which each affiliate is linked.

If you will **select your affiliates after submitting your application**, you must survey your potential affiliates and in a narrative statement describe the specific criteria you will use to select your affiliates. In an appendix, you must provide a list of the affiliates surveyed including:

- (a) The full name of the affiliates surveyed,
- (b) Service area (city, county or parish and state),
- (c) Proposed funding need, and
- (d) The number of SHOP units each affiliate anticipates constructing or rehabilitating should you receive FY2019 SHOP grant funds.
- (e) Whether the affiliate has previously participated in your SHOP or self-help homeownership housing program

**All applicants must**, in a narrative statement, discuss whether the performance of the selected or surveyed affiliates has been timely and in compliance with your requirements. If you propose to fund an affiliate that has encountered performance or compliance issues, you must explain what has changed that makes you want to include this affiliate in your FY2019 SHOP program.

**(18) Mutual Self-help Housing Programs (if applicable).** You must describe whether your SHOP program will involve a mutual self-help housing program. You must identify the mutual self-help housing program(s) and provide the estimated number of units or percentage of your total units that will also be assisted by each mutual self-help housing program.

A mutual self-help housing program generally involves four to ten participating families organized in a group who complete construction work on their homeownership housing units by an exchange of labor with one another, such as a program administered by the U.S. Department of Agriculture's Rural Development agency under section 523 of the Housing Act of 1949 (see 7 CFR part 1944, subpart I). Homebuyers perform labor on their own units and on the units of other participating families. A homebuyer's labor hours may count either towards sweat equity contributions or volunteer labor contributions, but each hour must only count once.

**(19) Monitoring Plan.** You must provide a detailed plan for monitoring the performance and compliance of your SHOP program, including your consortium members and affiliates as applicable, throughout the SHOP period of performance and through the completion and conveyance of the SHOP unit to the homebuyer. At a minimum, your monitoring plan must contain the elements listed in the SHOP Program Summary under Section IV.B.1.b.(1) above. In addition your monitoring plan must describe:

- (a) For **ongoing, distance monitoring and oversight**:
  - i. The types of reports and other documents and tools you will use to track and evaluate program performance and compliance,
  - ii. The specific program performance and program compliance benchmarks you will monitor,
  - iii. The frequency with which you will review your performance and compliance, including the performance and compliance of each consortium member and affiliate, and
  - iv. The remedies or corrective actions you will take to address performance and

compliance issues that arise.

(b) For **on-site monitoring**:

- i. The specific, risk-based performance and compliance indicators you will use to identify consortium members and affiliates most at risk of failing to meet performance benchmarks, or at risk of failing to comply with compliance requirements,
- ii. The number and type of records you will review during on-site monitoring (e.g., financial, beneficiary, eligibility, property standards and inspections, fair housing and affirmative marketing, Section 3 employment), and
- iii. The remedies or corrective actions you will take to address identified performance and compliance failures.

Your SHOP Monitoring Plan will be rated under Rating Factor 5 of this NOFA. If funded, HUD will incorporate your SHOP Monitoring Plan, including any amendments, into your SHOP Grant Agreement. HUD will require SHOP Grantees to submit an annual monitoring plan that details which consortium members and affiliates the Grantee will monitor on-site during the calendar year based on the results of the Grantee's risk-based monitoring criteria.

**(20) Typical SHOP Unit Table.** You must use the following table (or a similar table) to demonstrate your approach to valuing sweat equity; valuing donated land, materials and professional services; valuing volunteer labor contributions; establishing your SHOP unit sale price; and determining the mortgage and/or other loan amount for a typical SHOP unit. You must enter your estimated or average cost, value or amount. If your SHOP Program Design involves other local, state or Federal subsidies (such as HOME or USDA), you must specify the source and the estimated per-unit subsidy amount. You must indicate whether these estimates are based on the actual results of your prior SHOP or self-help homeownership housing program, or are based on your proposed SHOP Program Design. This table is not a budget form. HUD will use this table to evaluate your SHOP Program Design and determine that your proposed SHOP program is in compliance with the requirements of this NOFA. This Table must be provided in an appendix.

**TABLE: Typical SHOP Unit**

| Per Unit                       | Average Cost, Value or Amount | Value of Donations | Value of Volunteer Labor | Final Cost, Value or Amount* | Comments |
|--------------------------------|-------------------------------|--------------------|--------------------------|------------------------------|----------|
| Land Acquisition               |                               |                    |                          |                              |          |
| Infrastructure Improvements    |                               |                    |                          |                              |          |
| Construction or Rehabilitation |                               |                    |                          |                              |          |
| Other<br>(Specify)             |                               |                    |                          |                              |          |



|   |  |  |  |  |  |
|---|--|--|--|--|--|
| TOTAL COST  |  |  |  |  |  |
| SHOP Investment Subsidy   |  |  |  |  |  |
| Other Subsidy (Specify)   |  |  |  |  |  |
| TOTAL SUBSIDY   |  |  |  |  |  |
| SALE PRICE  |  |  |  |  |  |
| APPRAISED VALUE   |  |  |  |  |  |
| Homebuyer Sweat Equity  |  |  |  |  |  |
| Other Homebuyer Equity<br>(Specify)                                       |  |  |  |  |  |
| TOTAL HOMEBUYER<br>EQUITY   |  |  |  |  |  |
| Reduced Homebuyer Sale<br>Price; and/or                                   |  |  |  |  |  |
| Homebuyer Credit towards<br>Sale Price                                    |  |  |  |  |  |
| Closing Costs (Specify)   |  |  |  |  |  |
| Other Homebuyer Costs<br>(Specify)  |  |  |  |  |  |
| Mortgage  |  |  |  |  |  |
| Other Loans   |  |  |  |  |  |
| Other Restrictions (Specify)  |  |  |  |  |  |
| Other Affordability Savings<br>over the Life of the Mortgage<br>(Specify) |  |  |  |  |  |

\* If you will reduce the final SHOP unit cost by the value of donations or volunteer labor, the Final Cost, Value or Amount should reflect this reduction.

**c. Rating Factors (30 page limit or 35 page limit for a consortium).** You must address the five Rating Factors identified in SHOP NOFA Section V.A. "Review Criteria," in your Rating Factor narrative statements, and in the required appendices.

To receive preference points included in this NOFA, you must address Rating Factor V.A.2, "Other Factors" in your Rating Factor narrative statements.

**d. Appendices (no page limit).** You must submit the appendices that are required by this NOFA. Refer to SHOP NOFA Section VIII. "Other Information" for a list of appendices.

**e. Certifications and Assurances (no page limit).** By electronically signing the SF-424 cover page, your Authorized Organization Representative (AOR) is certifying that the statements in

your application are true, complete and accurate to the best of his/her knowledge, and that you will comply with the requirements of this NOFA. If it is later determined that the signatory to the application submission knowingly made a false certification or assurance or did not have the authority to make a legally binding commitment for the applicant, you may be subject to criminal prosecution, and the Department may terminate your award or pursue other available remedies.

The AOR is also certifying that should you receive a SHOP grant award, you will administer your award in compliance with this NOFA, and your SHOP grant agreement, and that you will implement your SHOP program in accordance with your approved application (including your budget, SHOP grant schedule and monitoring schedule) as may be modified or amended and approved by HUD.

## **2. Format and Form.**

Narratives and other attachments to your application must follow the following format guidelines.

**a. Page Format.** You must submit your SHOP application in an 8.5 by 11 inch page size format, using a standard 12 point font. Text in tables must not be less than a 9 point font. HUD will not consider material shown in a smaller font size. Pages for each application section must be numbered sequentially starting with "1." For sections with page limits, HUD will not consider information on pages that exceed the page limit.

**b. Application Content.** The application consists of six sections:

- (1) Standard Forms;
- (2) Applicant Eligibility;
- (3) SHOP Program Design and Scope of Work;
- (4) Rating Factors;
- (5) Appendices; and
- (6) Forms, Certifications and Assurances.

Page limits are imposed on both the Program Design and Scope of Work (Section IV.B.1.b), and the Rating Factor (Section V.A) sections of this NOFA. Required documents submitted in appendices do not count toward your application page limits. HUD will not consider any supplemental information that is not required by this NOFA, or information that exceeds the page limits established by this NOFA.

Refer to SHOP NOFA Section VIII. "Other Information" for an Application Checklist that identifies the elements required for a complete application submission.

**c. Consortium Application.** If you are applying as a consortium, you must submit an integrated application that demonstrates that you are undertaking a single SHOP program. Your lead entity must file your application on behalf of all consortium members. All consortium members must be identified in your application. All consortium members must receive SHOP grant funds. You must propose to use a significant amount of SHOP grant funds in each state

represented by your consortium members. Individual program designs for separate consortium members or their affiliates will not be considered by HUD in scoring your application.

## C.

### Sy:

#### **1. SAM Registration Requirement.**

Applicants must be registered with SAM before submitting their application. In addition, applicants must maintain an active SAM registration with current information while they have an active Federal award or an application or plan under consideration by HUD.

#### **2. DUNS Number Requirement.**

Applicants must provide a valid DUNS number, registered and active at SAM, in the application. DUNS numbers may be obtained for free from [Dun & Bradstreet](#).

#### **3. Requirement to Register with Grants.gov.**

Anyone planning to submit applications on behalf of an organization must register at Grants.gov and be approved by the EBiz Point of Contact in SAM to submit applications for the organization.

Registration for SAM and Grants.gov is a multi-step process and can take four (4) weeks or longer to complete if data issues arise. Applicants without a valid registration cannot submit an application through Grants.gov. Complete registration instructions and guidance are provided at Grants.gov. See also Section IV.B for necessary form and content information.

## D.

The application deadline is 11:59:59 p.m. Eastern time on **09/10/2019**. Applications must be received no later than the deadline.

Submit your application to Grants.gov unless a waiver has been issued allowing you to submit your application in paper form. Instructions for submitting your paper application will be contained in the waiver of electronic submission.

"Received by Grants.gov" means the applicant received a confirmation of receipt and an application tracking number from Grants.gov. Grants.gov then assigns an application tracking number and date-and time-stamps each application upon successful receipt by the Grants.gov system. A submission attempt not resulting in confirmation of receipt and an application tracking number is not considered received by Grants.gov.

Applications received by Grants.gov must be validated by Grants.gov to be received by HUD.

"Validated by Grants.gov" means the application has been accepted and was not rejected with errors. You can track the status of your application by logging into Grants.gov, selecting

"Applicants" from the top navigation, and selecting "Track my application" from the dropdown list. If the application status is "rejected with errors," you must correct the error(s) and resubmit

the application before the 24-hour grace period ends. Applications in “rejected with errors” status after the 24-hour grace period expires will not be received by HUD. Visit Grants.gov for a complete description of processing steps after submitting an application.

HUD strongly recommends applications be submitted at least **48 hours before the deadline** and during regular business hours to allow enough time to correct errors or overcome other problems.

You can verify the contents of your submitted application to confirm Grants.gov received everything you intended to submit. To verify the contents of your submitted application:

- Log in to Grants.gov.
- Click the Check Application Status link, which appears under the Grant Applications heading in the Applicant Center page. This will take you to the Check Application Status page.
- Enter search criteria and a date range to narrow your search results.
- Click the Search button. To review your search results in Microsoft Excel, click the Export Data button.
- Review the Status column.
- To view more detailed submission information, click the Details link in the Actions column.
- To download the submitted application, click the Download link in the Actions column.

Please make note of the Grants.gov tracking number as it will be needed by the Grants.gov Help Desk if you seek their assistance.

HUD may extend the application deadline for any program if Grants.gov is offline or not available to applicants for at least 24 hours immediately prior to the deadline date, or the system is down for 24 hours or longer and impacts the ability of applicants to cure a submission deficiency within the grace period.

HUD may also extend the application deadline upon request if there is a presidentially-declared disaster in the applicant’s area.

If these events occur, HUD will post a notice on its website establishing the new, extended deadline for the affected applicants. HUD will also include the fact of the extension in the program’s Notice of Funding Awards required to be published in the Federal Register.

In determining whether to grant a request for an extension based on a presidentially-declared disaster, HUD will consider the totality of the circumstances including the date of an applicant’s extension request (how closely it followed the basis for the extension), whether other applicants in the geographic area are similarly affected by the disaster, and how quickly power or services are restored to enable the applicant to submit its application.

**PLEASE NOTE:** Busy servers, slow processing, large file sizes, improper registration or

password issues are not valid circumstances to extend the deadline dates or the grace period.

### **1. Amending or Resubmitting an Application.**

Before the submission deadline, you may amend a validated application through Grants.gov by resubmitting a revised application containing the new or changed material. The resubmitted application must be received and validated by Grants.gov by the applicable deadline.

If HUD receives an original and a revised application for a single proposal, HUD will evaluate only the last submission received by Grants.gov before the deadline.

### **2. Grace Period for Grants.gov Submissions.**

If your application is received by Grants.gov before the deadline, but is rejected with errors, you have a grace period of 24 hours after the application deadline to submit a corrected, received, and validated application through Grants.gov. The date and time stamp on the

Grants.gov system determines the application receipt time. Any application submitted during the grace period not received and validated by Grants.gov will not be considered for funding. There is no grace period for paper applications.

### **3. Late Applications.**

An application received after the NOFA deadline date that does not meet the Grace Period requirements will be marked late and will not be received by HUD for funding consideration. Improper or expired registration and password issues are not causes that allow HUD to accept applications after the deadline.

### **4. Corrections to Deficient Applications.**

HUD will not consider information from applicants after the application deadline. HUD may contact the applicant to clarify information submitted prior to the deadline. HUD will uniformly notify applicants of each curable deficiency. A curable deficiency is an error or oversight that, if corrected, it would not alter, in a positive or negative fashion, the review and rating of the application. See curable deficiency in the definitions section (Section I.A.3.). Examples of curable (correctable) deficiencies include inconsistencies in the funding request and failure to submit required certifications. These examples are non-exhaustive.

When HUD identifies a curable deficiency, HUD will notify the authorized representative by email. This email is the official notification of a curable deficiency. Each applicant must provide accurate email addresses for receipt of these notifications and must monitor their email accounts to determine whether a deficiency notification has been received. The applicant must carefully review the request to cure a deficiency and must provide the response in accordance with the instructions contained in the deficiency notification.

Applicants must email corrections of curable deficiencies to [applicationsupport@hud.gov](mailto:applicationsupport@hud.gov) within the time limits specified in the notification. The time allowed to correct deficiencies will be no less than 48 hours and no more than 14 calendar days from the date of the email notification. The start of the cure period will be the date stamp on the email sent from HUD. If the deficiency cure deadline date falls on a Saturday, Sunday, Federal holiday, or on a day when

HUD's Headquarters are closed, then the applicant's correction must be received on the next business day HUD Headquarters offices in Washington, DC are open.

The subject line of the email sent to [applicationsupport@hud.gov](mailto:applicationsupport@hud.gov) must state: Technical Cure and include the Grants.gov application tracking number or the GrantSolutions application number (e.g., Subject: Technical Cure - GRANT123456 or Technical Cure - XXXXXXXXXXXX). If this information is not included, HUD cannot match the response with the application under review and the application may be rejected due to the deficiency.

Corrections to a paper application must be sent in accordance with and to the address indicated in the notification of deficiency. HUD will treat a paper application submitted in accordance with a waiver of electronic application containing the wrong DUNS number as having a curable deficiency. Failure to correct the deficiency and meet the requirement to have a DUNS number and active registration in SAM will render the application ineligible for funding.

**5. Authoritative Versions of HUD NOFAs.** The version of these NOFAs as posted on Grants.gov are the official documents HUD uses to solicit applications.

**6. Exemptions.** Parties that believe the requirements of the NOFA would impose a substantial burden on the exercise of their religion should seek an exemption under the Religious Freedom Restoration Act (RFRA).

#### **E. Intergovernmental Review.**

This program is not subject to Executive Order 12372, Intergovernmental Review of Federal Programs.

#### **F. Funding Restrictions.**

**1. Pre-agreement Costs.** On or after the publication date of this NOFA, you may incur eligible pre-agreement costs for your SHOP activities. You may charge these costs to your SHOP grant after the effective date of your SHOP grant agreement.

Pre-agreement costs must be incurred for an eligible SHOP activity, be consistent with your approved SHOP application, and be in compliance with the requirements of this NOFA (real property and relocation and environmental review requirements).

You incur a pre-agreement cost on the date that you incur the actual activity cost such as when you execute a contract to purchase land or to undertake infrastructure improvements, or take other actions that require payment for an eligible activity.

You may authorize your affiliates to incur eligible pre-agreement costs, provided your authorization is in writing prior to the incurrence of these costs.

You and your affiliates incur pre-agreement costs at your own risk. If you do not receive a SHOP grant, if your activities do not successfully complete the required environmental review

process, or if your activities otherwise fail to meet the SHOP requirements, you and your affiliates must not use your SHOP grant funds to reimburse your pre-agreement costs.

**2. Eligible Costs.** You must only use SHOP grant funds for the cost of eligible activities identified in SHOP NOFA Section III.F.(3) "Eligible Activities."

**3. Allowable costs.** You must only use SHOP grant funds for costs that are allowable in compliance with the requirements of 2 CFR part 200.

**4. Ineligible Costs.** Ineligible costs include:

- a. Any costs incurred that are not eligible in accordance with the requirements of this NOFA.
- b. Pre-agreement costs that do not meet all of the SHOP requirements, including any pre-agreement cost that is:
  - (1) not identified in your SHOP application;
  - (2) incurred prior to the publication date of this NOFA; and/or
  - (3) incurred by your affiliate and not approved in writing by you prior to its incurrence.
- c. Land acquisition costs for land that is owned by the Grantee or the Grantee's affiliate before the date of the SHOP Grant Agreement (except when eligible as a pre-agreement cost).
- d. Land acquisition costs for land banking purposes (i.e. holding land for an indefinite period).
- e. Land acquisition costs for acquisition that does not comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended (URA) and URA implementing regulations at 49 CFR part 24.
- f. Refinancing costs for land that you or your affiliate acquired before the publication date of this NOFA.
- g. Infrastructure improvement costs that you or your affiliate incurred before the publication date of this NOFA or before the completion date of the required environmental review process and HUD approval of a Request for Release of Funds, where applicable.
- h. Financing and closing costs for loans that you or your affiliate used to finance infrastructure improvement costs.
- i. Land acquisition costs for land that is not owned by you or your affiliate except when HUD approves an exception for SHOP units also assisted through USDA Mutual Self-Help Housing Technical Assistance grants when the homebuyer is receiving a USDA Section 502 Direct Loan.
- j. Infrastructure improvement costs for land that is not owned by you or your affiliate except when HUD approves an exception for SHOP units also assisted through USDA Mutual Self-Help Housing Technical Assistance grants when the homebuyer is receiving a USDA Section 502 Direct Loan.
- k. Demolition costs (except that the removal of environmental hazards is an eligible

infrastructure improvement cost).

- l. Development costs that are not land acquisition or infrastructure improvement costs, such as building permitting fees, property taxes during the construction period, performance bonds, and landscaping.
- m. Impact fees that do not constitute payment for land acquisition and infrastructure improvements and are not required by a governmental entity authorized to impose such a fee.
- n. Construction, rehabilitation, or improvement costs of any dwelling unit.
- o. Homebuyer pre-purchase counseling and post-purchase counseling costs.

**5. Other Restrictions.** The average SHOP expenditure for the combined costs of land acquisition and infrastructure improvements must not exceed \$15,000 per dwelling unit.

#### Indirect Cost Rate.

Normal indirect cost rules apply. If you intend to charge indirect costs to your award, your application must clearly state the rate and distribution base you intend to use. If you have a Federally negotiated indirect cost rate, your application must also include a letter or other documentation from the cognizant agency showing the approved rate. Successful applicants whose rate changes after the application deadline must submit new rate and documentation.

Nongovernmental organizations and Indian tribal governments. If you have a Federally negotiated indirect cost rate, your application must clearly state the approved rate and distribution base and must include a letter or other documentation from the cognizant agency showing the approved rate. If you have never received a Federally negotiated indirect cost rate and elect to use the de minimis rate, your application must clearly state you intend to use the de minimis rate of 10% of Modified Total Direct Costs (MTDC). As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Once elected, the de minimis rate must be applied consistently for all Federal awards until you choose to negotiate for a rate, which you may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

State and local governments. If your department or agency unit has a Federally negotiated indirect cost rate, your application must include that rate, the applicable distribution base, and a letter or other documentation from the cognizant agency showing the negotiated rate. If your department or agency unit receives more than \$35 million in direct federal funding per year, you may not claim indirect costs until you receive a negotiated rate from your cognizant agency for indirect costs as provided in Appendix VII to 2 CFR part 200.

If your department or agency unit receives no more than \$35 million in direct federal funding per year and your department or agency unit has developed and maintains an indirect cost rate proposal and supporting documentation for audit in accordance with 2 CFR part 200, Appendix VII, you may use the rate and distribution base specified in that indirect cost rate proposal. Alternatively, if your department or agency unit receives no more than \$35 million in direct



federal funding per year and has never received a Federally negotiated indirect cost rate, you may elect to use the de minimis rate of 10% of MTDC. As described in 2 CFR 200.403, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. Once elected, the de minimis rate must be applied consistently for all Federal awards until you choose to negotiate for a rate, which you may apply to do at any time. Documentation of the decision to use the de minimis rate must be retained on file for audit.

## **G. Other Submission Requirements.**

### **1. Application Certifications and Assurances.**

By signing the forms in the SF-424 either through electronic submission or in paper copy submission (for those granted a waiver), the applicant and the signing authorized representative affirm that they have reviewed the certifications and assurances associated with the application for federal assistance and (1) are aware the submission of the SF424 is an assertion that the relevant certifications and assurances are established and (2) acknowledge that the truthfulness of the certifications and assurances are material representations upon which HUD will rely when making an award to the applicant. If it is later determined the signing authorized representative to the application made a false certification or assurance, caused the submission of a false certification or assurance, or did not have the authority to make a legally binding commitment for the applicant, the applicant and the individual who signed the application may be subject to administrative, civil, or criminal action. Additionally, HUD may terminate the award to the applicant organization or pursue other available remedies. Each applicant is responsible for including the correct certifications and assurances with its application submission, including those applicable to all applicants, those applicable only to federally-recognized Indian tribes, and those applicable to applicants other than federally-recognized Indian tribes. All program-specific certifications and assurances are included in the program Instructions Download on Grants.gov.

### **2. Lead Based Paint Requirements.**

When providing housing assistance funding for purchase, lease, support services operation, or work that may disturb painted surfaces, of pre-1978 housing, you must comply with the lead-based paint evaluation and hazard reduction requirements of HUD's lead-based paint rules (Lead Disclosure; and Lead Safe Housing (24 CFR part 35)), and EPA's lead-based paint rules (e.g., Repair, Renovation and Painting; Pre-Renovation Education; and Lead Training and Certification (40 CFR part 745)).

When providing education or counseling on buying or renting housing that may include pre-1978 housing, when required by regulation or policy, applicants must inform clients of their rights under the Lead Disclosure Rule (24 CFR part 35, subpart A), and, if the focus of the education or counseling is on rental or purchase of HUD-assisted pre-1978 housing, the Lead Safe Housing Rule (subparts B, R, and, as applicable, F - M).

## V. Application Review Information.

### A. Review Criteria.

#### 1. Rating Factors.

##### Preference Points

A total of 2 preference points are allocated under V.A.2. "Other Factors". In no case will HUD award more than two preference for these activities.

You are limited to a total of 30 pages, unless you are a consortium. A consortium may have an additional 5 pages, for a total limit of 35 pages. All applicants are limited to 4 pages to address Rating Factor 2 "Need/Extent of Problem."

Unless otherwise stated under the applicable Rating Factor, HUD will only review and rate the information that you submit in response to the five Rating Factors, and specific sections of your Program Design and Scope of Work, including the "SHOP Budget," "SHOP Grant Schedule," "Sweat Equity," "Economic Opportunities for Low- and Very-Low Income Persons (Section 3)," "Audit," "Monitoring Plan," and the "Typical SHOP Unit Table" required by SHOP NOFA Section IV.B.1.b.

HUD will not review and rate any information that is not required by this NOFA or any information that is contained in pages that exceed the applicable page limits.

| Scoring Summary |   |           |
|-----------------|---|-----------|
| Rating Factor 1 | Capacity of the Applicant and Relevant Organizational Staff |           |
|                 | Past Performance  | 20        |
|                 | Program Management Capacity                                 | 5         |
|                 | Financial Management Capacity                               | 5         |
|                 | subtotal  | <b>30</b> |
| Rating Factor 2 | Need/Extent of the Problem                                  |           |
|                 | Extent of Need for Affordable Homeownership Housing         | 2         |
|                 | Extent of Need for SHOP Grant Funds                         | 2         |
|                 | subtotal  | <b>4</b>  |
| Rating Factor 3 | Soundness of Approach                                       |           |
|                 | Project Feasibility   | 14        |

|                      |   |            |
|----------------------|---|------------|
|                      | Affordable and Sustainable Homeownership              | 2          |
|                      | Sweat Equity Contribution and Valuation               | 12         |
|                      | SHOP Grant Schedule                                   | 4          |
|                      | SHOP Budget   | 3          |
|                      | Training and Technical Assistance                     | 3          |
|                      | Employment Opportunities                              | 2          |
|                      | subtotal  | <b>40</b>  |
|                      |   |            |
| Rating Factor 4      | Leveraging Resources                                  |            |
|                      | Success in Obtaining Leveraged Resources              | 6          |
|                      | Leveraged Resources Strategy                          | 4          |
|                      | subtotal  | <b>10</b>  |
|                      |   |            |
| Rating Factor 5      | Achieving Results and Program Evaluation              |            |
|                      |   |            |
|                      | Ongoing, Distance Monitoring                          | 8          |
|                      | On-Site Monitoring                                    | 5          |
|                      | Evaluation Plan                                       | 3          |
| subtotal             | subtotal  | 16         |
| <b>Total:</b>        |   | <b>100</b> |
|                      |   |            |
|                      |   |            |
| Factor V.A.2         | Preference points<br>OZ (2 points) or HBCU (2 points) | 2          |
| <b>Maximum Score</b> |   | <b>102</b> |
|                      |   |            |

Rating Factor 1: Capacity of the Applicant and Relevant  
Organizational Staff

Maximum Points: 30

This Rating Factor evaluates your capacity to carry out your proposed SHOP activities in an effective and timely manner and in compliance with the requirements of this NOFA. HUD will examine your past performance, as well as your program and financial management capacity. Applicants must receive at least 18 points for this Rating Factor to be eligible for funding.

**Content Requirements for Rating Factor 1**

**a. Past Performance (up to 20 points).**

**(1) Applicants that have been awarded SHOP grants during the previous five-year period.** You must demonstrate timely and effective performance in carrying out each SHOP grant that you were awarded during the previous five-year period. In evaluating this factor HUD will examine your SHOP grant schedule and performance reports and other available data, including monitoring reports, program vouchers, audit reports, and SHOP grant Close Out reports. Indicators of poor performance, including grant deobligations and repayments, failure to meet the milestones identified in your SHOP grant schedule, slow unit completion and conveyance rates, and delays in drawing grant funds and closing old awards, will result in a lower score.

**(a) Five-Year Period.** You must identify the dates for your five-year period which should end as close as possible to the submission of your SHOP application.

**(b) Grant Performance.** For each SHOP grant awarded during the five-year period you must provide the following information. You may provide this information in a chart.

**(i) Deobligated and Returned Funds.** You must state whether HUD deobligated any SHOP grant funds for failure to expend the funds by the end of your SHOP period of performance, and whether you returned any funds because of monitoring findings or other program deficiencies. You must state whether any other funding entity deobligated any funds for failure to meet your drawdown and/or implementation schedules. You must state whether you returned any funds to any other funding entity because of monitoring findings or other program deficiencies. You must also describe the circumstances that led to the deobligation or return of SHOP grant funds and the actions you took, or are taking, to ensure that future SHOP grant funds are used in a timely and compliant manner.

**(ii) Units.** You must specify the number of SHOP units started, completed and conveyed to eligible homebuyers during the SHOP period of performance. You must specify the number of units completed and conveyed within 24 months of the end of your period of performance. If units remain incomplete and not

available to eligible homeowners within 24 months of the end of your SHOP period of performance, you must describe the circumstances that have prevented you from completing and conveying the units, and the actions you took or are taking to prevent further delays.

You must provide the average annual income and family size characteristics of the homebuyers you serve. You must provide racial and ethnic characteristics of the homebuyers you served. You must provide the average sweat equity value each homebuyer received at the time of purchase as well as the average number of volunteer labor hours per unit.

**(iii) Target Dates.** You must state whether you missed any performance benchmarks or other target dates, and the reasons. You must describe the actions you took or are taking to address any delays.

**(iv) Affiliates.** If you used affiliates, you must identify any affiliates that failed to meet their benchmarks or other target dates. You must identify any affiliates that had compliance issues. You must describe the actions you took or are taking to address these performance and/or compliance issues.

**(v) Consortium.** If you are a consortium, you must identify any consortium members that failed to meet their benchmarks or other target dates. You must identify any consortium members that had compliance issues. You must describe the actions you took or are taking to address these performance and/or compliance issues.

**(c) Completion of Old Grants.** If you have any SHOP grants that were awarded before the five year period and have not achieved SHOP grant final close out, you must identify these SHOP grants. For each open SHOP grant you must state the minimum number of units required, the number of units for which you have invested SHOP funds, the number of units that have been conveyed, and the number of units that are not conveyed. You must describe the actions you are taking to complete and convey the remaining units and your target date for SHOP grant final close out. You may provide this information in a chart format. Applicants who received SHOP awards previously and have expired periods of performance and incomplete units and/or units not conveyed after 36 months from the end of the period of performance will result in a lower score on their FY2019 SHOP application.

**(d) Audit.** Based on the narrative provided in your SHOP Program Design and Scope of Work, HUD will evaluate your justification for any delays in completing your audit, the severity of any audit findings, and the actions you are taking to resolve any findings. Unjustified delays in completing a required audit, the existence of major and/or unresolved audit findings may result in a lower score.

**(2) Applicants that have not received SHOP grants during the previous five years.**

You must summarize your performance in carrying out your self-help homeownership housing activities during the previous five years. You must demonstrate that you and your affiliates completed, in a timely and effective manner, at least 30 self-help homeownership housing units within the past 24 months. Your narrative summary

must be supported by the submission, in an appendix, of existing internal or external performance reports, monitoring reports, and audits or similar documents that demonstrate your performance and compliance. HUD will examine these documents when evaluating your past performance and may, where applicable, reach-out to the references you provide (see (a)(v) below) to verify the success of your program. Indicators of poor performance, such as deobligated or returned funds, slow unit completion and conveyance rates, and delays in drawing grant funds will result in a lower rating.

**(a) Program Performance.** For each self-help homeownership housing program undertaken during the past five-year period, you must provide the following information.

**(i) Deobligated and Returned Funds.** You must indicate whether any funding entity deobligated any funds for failure to meet your expenditure and/or implementation schedule. You must also note whether you returned any funds to any funding entity because of monitoring findings or other program deficiencies.

**(ii) Units.** You must identify the number of self-help homeownership units completed and conveyed to eligible homebuyers during the five-year period. You must provide the average annual income and family size characteristics of the homebuyers you served. You must provide the racial and ethnic characteristic of these homebuyers. You must provide the average sweat equity contribution and the value of the contribution each homebuyer received at the time of purchase. You must also provide the average number of volunteer labor hours per unit.

**(iii) Target Dates.** You must describe the benchmarks you used to track your performance from land acquisition through the completion and conveyance of the units to the homebuyer. You must note whether you failed to meet any of your benchmarks and explain why the benchmark(s) was not met. You must describe the actions you took or are taking to overcome any delays and obstacles.

**(iii) Affiliates.** If you used affiliates, you must identify any affiliates that failed to meet their benchmarks or other target dates. You must identify any affiliates that had compliance issues. You must describe the actions you took or are taking to address these performance and/or compliance issues.

**(iv) Consortium.** If you are a consortium, you must identify any consortium members that failed to meet their benchmarks or other target dates. You must identify any consortium members that had compliance issues. You must describe the actions you took or are taking to address these performance and/or compliance issues.

**(v) References.** You must provide, in an appendix, references for each organization that provided financial assistance to your self-help homeownership housing program over the past five years. HUD may contact each reference to verify your program performance.

**b. Program Management Capacity (up to 5 points).**

**(1) Applicant Capacity.** You must describe your organization's program management capacity including a description of:

- (a) Your program management structure,
- (b) The specific roles and responsibilities of each program management staff member,
- (c) The specific skills and capacity of each program management staff member,
- (d) Any program management staffing or skills gaps that exist within your program management structure, and
- (e) How you plan to address any staffing or skills gaps that may exist.

**If you are a consortium,** you must provide this information for both the lead entity and each consortium member. You must also describe your procedures for coordinating the program management activities of your consortium members.

**(2) Affiliate Capacity.** If you propose to use affiliates, you must identify the staff responsible for managing and overseeing the performance of your affiliates. You must describe the criteria you will use to evaluate whether each affiliate has adequate program management procedures that comply with your program management standards. You must describe the criteria you will use to evaluate whether each affiliate has adequate program management staff capacity, and the steps you will require each affiliate to take should gaps in affiliate program management staff capacity arise.

**If you are a consortium,** you must describe how each affiliate will be linked to an individual consortium member that will have oversight responsibility for that affiliate.

Applicants that fail to present a sound SHOP program management structure with experienced and knowledgeable staff, as well as clear roles and responsibilities for all aspects of SHOP management and oversight, will receive a lower score. Applicants that fail to present a plan for addressing any staffing or skills gaps that may exist within their organization or within an affiliate's organization will receive a lower score.

#### **c. Financial Management Capacity (up to 5 points).**

**(1) Applicant Capacity.** Your financial management system must comply with the requirements of 2 CFR 200.302 and 200.303. You must describe your organization's financial management capacity including a description of:

- (a) Your financial management structure,
- (b) The specific roles and responsibilities of each financial management staff,
- (c) The specific skills and capacity of each financial management staff,
- (d) Any financial management staffing or skills gaps that may exist within your financial management structure, and
- (e) How you plan to address any staffing or skills gaps that may exist.

**If you are a consortium,** you must provide this information for both the lead entity and each consortium member. You must also describe your procedures for coordinating the financial management activities of your consortium members.

**(2) Affiliate Capacity.** If you propose to use affiliates, you must identify the staff responsible for managing and overseeing the financial compliance of your affiliates. You

must describe the criteria you will use to evaluate whether each affiliate has adequate financial procedures and controls that comply with your financial management standards and the requirements of 2 CFR 200.302 and 200.303. You must describe the steps you will require each affiliate to take should gaps in affiliate financial management staff capacity arise.

Applicants that fail to present a sound SHOP financial management structure with experienced and knowledgeable staff, as well as clear roles and responsibilities for all aspects of SHOP financial management and oversight, will receive a lower score.

Applicants that fail to present a plan for addressing any staffing or skills gaps that may exist within their organization or within an affiliate's organization will receive a lower score.

#### Rating Factor 2: Need/Extent of the Problem

Maximum Points: 4

This Rating Factor evaluates the extent to which you demonstrate a need for self-help homeownership housing in your proposed service areas. HUD will consider the housing problems in each of your service areas that will be addressed by your SHOP program and the extent to which you demonstrate the need for SHOP grant funds.

#### Content Requirements for Rating Factor 2 (four-page limit)

##### a. Extent of Need for Affordable Homeownership Housing (up to 2 points).

**(1) Demonstration of Need.** You must demonstrate the need for affordable homeownership housing in your service area by providing reliable statistical data on the lack of affordable homeownership opportunities for households with less than 80 percent of area median income (AMI). You must demonstrate the need for affordable housing for other under-served low-income groups, especially minority households, households with children, and households in rural areas. Statistical data can include low homeownership rates; high foreclosure rates; housing cost burdens; and lack of standard housing including overcrowding, housing age, housing deterioration, inadequate housing infrastructure, inadequate utilities, or other severe physical problems. To the extent information is available, you must describe the need for physically accessible homes.

You must also identify the need to address any evidence of housing discrimination and any need for housing shown in the local Analysis of Impediments to Fair Housing Choice (AI) or Assessment of Fair Housing (AFH), if applicable, for jurisdictions located within your service area.

**(2) Data.** National applicants must, at a minimum, use regional-level data to demonstrate the need for affordable homeownership housing. Regional applicants must, at a minimum, use state-level data to demonstrate the need for affordable homeownership housing. If you plan to select some or all of your affiliates after your application submission, you must survey your potential affiliates to gain an understanding of the regional-level or state-level housing problems in the individual affiliate areas and describe those housing problems in your application.

General, national-level data should not be used unless you also use regional-level or state-level data to supplement the national data. Your data must be recent. "Recent" means the most recent updated U.S. Census data, and other information and data issued within the



last five years prior to the issuance date of this SHOP NOFA, including data contained in State or local Consolidated Plans and Analysis of Impediments to Fair Housing Choice (AI) or Assessment of Fair Housing (AFH), if applicable for jurisdictions located within your service area. You must cite the sources for your data.

Failure to adequately justify the need for affordable housing in your proposed service area using recent, geographically-appropriate data may result in a lower score.

**b. Extent of Need for SHOP Grant Funds (2 points).** You must describe your need for the amount of SHOP grant funds you request. You must identify any program funding gap. You must describe how SHOP grant funds will be used to fill this funding gap so you and your affiliates can achieve your SHOP goals and develop the number of SHOP units proposed.

Applicants that fail to adequately describe why SHOP funds are needed will receive a lower score. Applicants that fail to identify the specific program funding gap and amount of SHOP funds needed to fill this gap will receive a lower score.

### Rating Factor 3: Soundness of Approach

Maximum Points: 40

This Rating Factor evaluates the quality and soundness of your approach to carrying out your proposed SHOP activities. HUD will consider the adequacy and effectiveness of your program design. Specifically, HUD will evaluate your processes for determining the feasibility of proposed SHOP projects, evaluating the homebuyer's ability to afford and sustain homeownership, valuing the homebuyer's sweat equity contribution, and ensuring the completion and conveyance of your SHOP units. HUD will also examine your SHOP budget, training and technical assistance approach, and your plan for providing employment and job training opportunities for local area residents and businesses.

### Content Requirements for Rating Factor 3

**a. Project Feasibility (up to 14 points).** You must describe your procedures for assessing the feasibility of SHOP units, including an assessment of:

- (1) The market to determine whether there is a demand for self-help homeownership housing,
- (2) The eligible low-income population to determine whether there is an adequate pool of homebuyers in the market area,
- (3) The site to determine whether there are any constraints that may prohibit or delay the development of the self-help housing unit,
- (4) The financial viability of the project to determine whether sufficient leveraged resources are committed to the project,
- (5) The development schedule to determine whether the self-help housing units will be completed and conveyed within the required SHOP grant schedule and
- (6) The feasibility of developing new, energy efficient SHOP units that meet the ENERGY STAR Certified New Homes (or ENERGY STAR for Multifamily High Rise) standard, including the availability of qualified HVAC and Home Energy Rating System contractors.

Procedures that fail to adequately address each component of the project feasibility process will

receive a lower score.

**b. Affordable and Sustainable Homeownership (up to 2 points).** You must identify the specific standard(s) you and your affiliates will use to determine whether a homebuyer can afford the SHOP unit at the time of purchase. You must also identify the specific standards you and your affiliates will use to determine whether the homebuyer can sustain the costs of homeownership over the long term. Failure to clearly identify specific, measurable standards that will evaluate the ability of your SHOP homebuyers to afford and sustain homeownership will result in a lower score.

**c. Sweat Equity Contribution and Valuation (up to 12 points).** HUD will evaluate your sweat equity requirements as described in the Program Design and Scope of Work section of this NOFA. Specifically, HUD will evaluate the extent to which your program design exceeds the minimum number of sweat equity hours required of the homebuyer (100 hours for multi-person homebuyers and 50 hours for individual homebuyers), and the minimum sweat equity valuation for those hours (a minimum average hourly rate or equivalent value of \$1000 per 100 hours of sweat equity for multi-person homebuyers and \$500 per 50 hours of sweat equity for individual homebuyers). Applicants are encouraged to exceed these minimum standards to ensure that the homebuyers contribute a significant amount of sweat equity toward the construction of the unit. Applicants may exceed these standards through a higher valuation of the homebuyer's sweat equity and/or requiring more than the minimum number of sweat equity hours. Applicants that meet the minimum sweat equity hours and valuation requirements will receive 4 points. Applicants that exceed the minimum number of sweat equity hours will receive 4 additional point. Applicants that exceed the minimum hourly rate or equivalent sweat equity value will receive 4 additional point.

**d. SHOP Grant Schedule (up to 4 points).** HUD will evaluate the SHOP Grant Schedule included in the Program Design and Scope of Work section of this NOFA. Your SHOP Grant Schedule must demonstrate that you will expend all of your SHOP grant funds no later than the expiration date of your proposed period of performance (i.e., 24 month or 36 months as applicable). Your SHOP Grant Schedule must also demonstrate that you will complete and convey all SHOP-assisted units within 36 months of the expiration date of your proposed period of performance.

**e. SHOP Budget (up to 3 points).** HUD will evaluate the HUD-424-CB and HUD-424-CBW included in the Program Design and Scope of Work Section of this NOFA. Your SHOP budget must include all required budget line items under the appropriate budget category including all activities funded with both SHOP and leveraged funds, monitoring costs, compliance costs associated with water sense, lead-based paint and accessibility and if applicable, the value of donations, volunteer labor, and sweat equity. Your budget must also include a separate column or columns for leveraged funds.

Failure to address all required budget elements will result in a lower score. Applicants that provide inconsistent budget figures throughout the SHOP application will also receive a lower score.

**f. Training and Technical Assistance (up to 3 points).** You must describe the format, topic(s) and frequency of any training and technical assistance you will provide to ensure that you and your affiliates, including any inexperienced affiliates, possess and continue to maintain the skills and knowledge needed to develop self-help homeownership housing and comply with

all SHOP and other applicable Federal requirements. A sound training plan will ensure that all consortium members and affiliates are provided on-going training on the SHOP requirements, as well as all other applicable Federal requirements. A sound training plan should also describe other training and technical assistance that will be provided to inexperienced or nonperforming consortium members or affiliates.

Failure to present a training and technical assistance plan that adequately addresses the basic SHOP and other applicable Federal requirements will result in a lower score. A training plan that fails to adequately address the specific training and technical assistance needs of inexperienced affiliates and poor performing consortium members and affiliates will receive a lower score.

**g. Employment Opportunities (up to 2 points).** You must describe how you and your affiliates will provide employment and job training opportunities for local area residents and businesses including:

- (1) Your methods for reaching out to local area residents and businesses,
- (2) Whether you will provide employment and job training opportunities that meet or exceed the minimum Section 3 requirements (consistent with existing Federal, State and local laws and regulations), and
- (3) Whether you will award new contracts for construction projects that meet or exceed the minimum Section 3 requirements.

Applicants that meet the minimum Section 3 requirements will receive one point. Applicants that exceed the minimum Section 3 requirements will receive two points. Refer to your SHOP NOFA Section IV.B.1.b.(15), “Economic Opportunities for Low- and Very- Low-Income Persons (Section 3)” for guidance.

|  |                           |
|--|---------------------------|
| <b>Rating Factor 4: Leveraging Resources</b> | <b>Maximum Points: 10</b> |
|--|---------------------------|

This Rating Factor evaluates your ability to secure firm commitments of leveraged resources to implement your proposed SHOP activities. HUD will consider your previous success in securing leveraged resources, and your strategy for securing the amount of firm commitments needed to develop the proposed number of SHOP units.

Leveraged resources include grants, loans, in-kind contributions, donated land, donated construction materials, and donated professional services. Leveraged resources do not include the dollar value of homebuyer sweat equity and volunteer labor contributions. Leveraged resources do not include mortgage financing provided to homebuyers, except for financing provided through the U.S. Department of Agriculture’s Section 502 program for direct loans to homebuyers as part of a mutual self-help homeownership housing program.

Firm commitments do not include unsigned, undated, or outdated documents; documents only expressing general support of your organization or your SHOP application; documents that do not state the dollar value of the leveraged resources; or documents that do not link the leveraged resources to your FY2019 SHOP application or specific projects in your application.

**Content Requirements for Rating Factor 4**

**a. Success in Obtaining Leveraged Resources (up to 6 points).**

- (1) **Previous Success.** You must describe your previous success in obtaining leveraged

resources for your self-help homeownership housing program during the most recent five-year period which should be the same period as stated in your response to Rating Factor 1. For each year, you must identify:

- (a) Your total program budget,
- (b) The total dollar value of the leveraged resources required,
- (c) The total dollar value of the leveraged resources firmly committed,
- (d) The total dollar value of the leveraged resources received, and
- (e) The ratio of the total dollar value of leveraged resources firmly committed to the total dollar value of leveraged resources required.

If all of your required leveraged resources have not been firmly committed, you must describe the steps you have taken or are taking to secure these funds.

HUD will evaluate your success in obtaining leveraged resources by examining your ratio of the total dollar value of leveraged resources firmly committed to the total dollar value of leveraged resources required for both the oldest two years of your designated five-year period, and the most recent three years of your designated five-year period. Applicants that demonstrate a leveraged ratio of 80 percent or higher for each of the oldest two years of the designated five-year period will receive a higher score. Applicants that demonstrate a leverage ratio of 50 percent or higher for each of the most recent three years of the designated five-year period will receive a higher score.

**(2) Supplemental Chart.** You must submit, in an appendix, a supplemental chart “Leveraged Resources Committed and Received Chart” that lists for each year, each leveraged resource that has been firmly committed and received. Leveraged resources of the same resource type that are from the same general funding source may be combined. This chart should be in an EXCEL format and provide the following:

- (a) Column 1- The general funding source for each leveraged resource that has been firmly committed (applicant, private for-profit, private non-profit, state government, local government, Federal government, or other (specify)). For Federal funding sources, you must separately list each Federal program source by agency (e.g. HUD HOME, HUD CDBG, USDA Sec. 502).
- (b) Column 2- The type of leveraged resource as either cash (grants, loans, or cash gifts/contributions) or non-cash gifts (donated land, donated construction tools, equipment or materials, donated products or appliances, donated professional services or other).
- (c) Column 3- The total dollar value of the leveraged resource.
- (d) Column 4- The date that the leveraged resource was firmly committed.
- (e) Column 5- The total dollar value of the leveraged resource actually received or drawn down.
- (f) Column 6- The steps you have taken or are taking to secure those leveraged resources that have not been received.

(g) Column 7- Optional note or explanation.

Leveraged resources may be eliminated from consideration if the required data is not provided. Incomplete leverage data may result in a lower rating.

**b. Leveraged Resources Strategy (up to 4 points).**

**(1) Strategy.** You must describe your strategy for securing the amount of leveraged resources you need to develop the number of SHOP units you propose in your SHOP application. The total amount of the leveraged resources must be the same as the total amount shown on the HUD-424-CB and HUD-424-CBW that you submit in response to the Program Design and Scope of Work. You must demonstrate that the leveraged resources you will secure will be sufficient to develop the number of units proposed in your SHOP application.

HUD will evaluate your strategy for securing leveraged resources by examining the ratio of the total dollar value of leveraged resources secured to the total dollar value of leveraged resources required. Applicants that demonstrate secured leveraged resources of 50 percent or more of the required leverage will receive a higher score. Applicants that demonstrate secured leveraged resources of less than 50 percent of the required leverage will receive a lower score.

**(2) Supplemental Chart.** You must submit, in an appendix, a supplemental chart, “Leveraged Resources Proposed Chart,” that lists the leveraged resources that you have secured or propose to secure. Leveraged resources of the same resource type that are from the same general funding source may be combined. This chart should be in EXCEL format and provide the following data:

**(a)** Column 1-The general funding source for each leveraged resource that you have secured or propose to secure (applicant, private for-profit, private non-profit, state government, local government, Federal government, or other (specify)). For Federal funding sources, you must separately list each Federal program source by agency (e.g. HUD HOME, HUD CDBG, USDA Sec. 502).

**(b)** Column 2-The type of leveraged resource, such as cash (grants, loans, or cash gifts/contributions) or non-cash gifts (donated land, donated construction tools, equipment or materials, donated products or appliances, donated professional services or other).

**(c)** Column 3-The total dollar value of the leveraged resource.

**(d)** Column 4-The date that the leveraged resource was firmly committed (if applicable).

**(e)** Column 5- If the leverage is not firmly committed, provide the date that you estimate the leveraged resource will be firmly committed (if applicable).

**(f)** Column 6-The steps you have taken or are taking to secure those leveraged resources that have not been firmly committed.

**(g)** Column 7- Indicate whether you have previously raised similar amounts of leveraged resources from the identified funding source, and the specific amount.

(h) Column 8- Optional note or explanation.

Leveraged resources may be eliminated from consideration if the required data is not provided. Incomplete leveraged resources data may result in a lower rating.

|   |                    |
|---|--------------------|
| Rating Factor 5: Achieving Results and Program Evaluation | Maximum Points: 16 |
|---|--------------------|

This Rating Factor evaluates whether you have an effective plan for managing and monitoring your SHOP program performance and compliance. This factor also evaluates whether you have an effective plan for evaluating the timeliness, compliance, efficiency and effectiveness of your SHOP program. HUD will consider the quality of your program performance, compliance and monitoring procedures, the frequency and type of your monitoring reviews, your process for corrective actions, the quality of your evaluation procedures, the relationship of your goals to the needs that you identify, and how you will use your evaluation results. HUD will require SHOP grantees to submit periodic progress reports on their SHOP program achievements. HUD will also require grantees to submit periodic reports on their monitoring schedule and monitoring results, as well as their program evaluation results.

**Content Requirements for Rating Factor 5**

**a. Monitoring Plan.** HUD will evaluate the Monitoring Plan submitted under the Program Design and Scope of Work section of this NOFA to determine if you have a comprehensive process for tracking and evaluating the performance and compliance of your SHOP program, including your consortium members and affiliates as applicable, throughout the period of performance and through the completion and conveyance of the SHOP unit to the homebuyer. This Monitoring Plan must contain the elements listed in SHOP Program Summary. In addition, the Monitoring Plan will be evaluated on the following:

**(1) Ongoing, Distance Monitoring (up to 8 points).** HUD will evaluate your ongoing, distance monitoring procedures to determine if your plan routinely tracks the performance and compliance of your consortium members and/or affiliates using specific monitoring benchmarks. HUD will also evaluate the remedies and corrective actions you will take to correct performance and compliance problems once they are identified. Applicants that fail to present a thorough and appropriate process for routinely assessing SHOP performance and compliance will receive a lower score. Applicants that fail to outline remedies and corrective actions that appropriately address performance and compliance problems will receive a lower score.

**(2) On-Site Monitoring (up to 5 points).** HUD will evaluate your on-site monitoring procedures to determine if you will use appropriate risk-based indicators to identify potential performance and compliance problems. HUD will also evaluate the remedies and corrective actions you will take to correct identified performance and compliance failures. Applicants that fail to present a thorough and appropriate risk-based process for assessing performance and compliance risk will receive a lower score. Applicants that fail to outline remedies and corrective actions that appropriately address performance and compliance findings will receive a lower score.

**b. Evaluation Plan (up to 3 points).**

**(1) Procedures.** You must describe your procedures for evaluating your SHOP program, including the frequency and methods you will use to collect data. You must identify the

quantifiable output and outcome indicators or measures you will use to evaluate whether your SHOP program is achieving your goals and addressing the needs identified in your SHOP application.

**(2) Goals.** You must identify your quantifiable SHOP program goals. You must identify both your primary and secondary goals. You must describe how your goals are related to each of the specific needs you identified in Rating Factor 2 "Need/Extent of Problem."

Goals are the results or outcomes you hope to accomplish. For example, the primary goals of your SHOP program may be an increase in homeownership in your target areas by 10 percent, a reduction in the annual housing cost for SHOP homebuyers to no more than 30 percent of monthly income. A secondary goal of your SHOP program may be to increase the number of Section 3 businesses receiving SHOP contracts by 10 percent.

**(3) Program Improvement.** You must describe how you will use your evaluation results to increase the efficiency and effectiveness of your SHOP program, including the achievement of your SHOP goals.

HUD will assess your evaluation plan to determine if you have clear and measurable goals and output and outcome indicators. Applicants that fail to present a clear plan for evaluating their SHOP program using quantifiable output and outcome measures will receive a lower score.

## **2. Other Factors.**

### **Preference Points.**

HUD encourages activities in Opportunity Zones (OZ) and activities in collaboration with HBCUs. HUD may award two (2) points for qualified activities supporting either or both initiative(s). In no case will HUD award more than two preference points for these activities.

### **Opportunity Zones.**

HUD encourages activities in Opportunity Zones (OZ) communities. HUD will award two (2) points for qualified activities within a designated zone or area.

Applicants must certify to HUD that the investment is in a qualified OZ.

To view the list of designated OZs, please see the following link on the U.S. Department of the Treasury website: <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>.

### **HBCU.**

Applicants designated by the U.S. Department of Education as Historically Black College or University will receive two (2) HBCU preference points when their application includes documentation of their status as an HBCU. [Click here](#) for more information about HBCUs, Partnership Plans, and HBCU authorizing officials.

### **Preference Points Under V.A.2, Other Factors**

HUD encourages activities in Opportunity Zones (OZ) and activities in collaboration with HBCUs. HUD may award two (2) points for qualified activities supporting either or both initiative(s). In no case will HUD award more than two preference points for these activities.

#### **(1) Opportunity Zones (OZ)**

HUD encourages activities in Opportunity Zones (OZ) communities. HUD will award two (2) points for qualified activities within a designated zone or area. Applicants must specify the impact that they intend to have in an Opportunity Zone. For example, "The proposed home sites and the development or improvement for infrastructure will be done in an Opportunity Zone. This includes the construction of decent, safe, and sanitary non-luxury housing for low-income persons and families who otherwise would not be able to become homeowners."

#### **(2) Historically Black Colleges and Universities (HBCU)**

Applicants partnering with a Historically Black College or University will receive two (2) HBCU preference points when their applications include a letter of Commitment certifying that an HBCU Partnership is in place and signed by an authorizing official of the HBCU and documentation of the college or university's status as a HBCU. Applicants designated by the U.S. Department of Education as Historically Black College or University HBCUs are not eligible to apply for grant funds or receive points under this NOFA.

## **B. Review and Selection Process.**

### **1. Past Performance**

In evaluating applications for funding, HUD will consider an applicant's past performance in managing funds. Items HUD may consider include, but are not limited to:

HUD may reduce scores as specified under V. A. Review Criteria. Whenever possible, HUD will obtain past performance information. If this review results in an adverse finding related to integrity or performance, HUD reserves the right to take any of the remedies provided in Section III.E Pre-selection Review of Performance, above.

### **2. Assessing Applicant Risk.**

In evaluating risks posed by applicants, the Federal awarding agency may use a risk-based approach and may consider any items such as the following:

- Financial stability;
- Quality of management systems and ability to meet the management standards prescribed in this part;
- History of performance. The applicant's record in managing Federal awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;



- Reports and findings from audits performed under Subpart F—Audit Requirements of this part or the reports and findings of any other available audits; and
- The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

HUD will review the applicant's risk based on OMB's Guidance under 2 CFR 200.205.

## 1. Rating and Ranking.

**a. Threshold Review.** HUD will screen each application to determine if it meets the threshold criteria listed in Section III.C. of this NOFA; and whether it is deficient and subject to corrections of curable deficiencies as described in section IV.D. of this SHOP NOFA.

**b. Applications that will not be Funded.** HUD will not rate and rank applications that fail to cure deficiencies within the time frame provided by HUD. Further, HUD will not rate, rank or fund applications that fail any of the threshold requirements contained in the Section III.D. of this program NOFA.

**c. Rating.** HUD will rate each eligible application that meets the threshold criteria based on the applicant's response to the Rating Factors. HUD will assign a score for each Rating Factor and a total score for each eligible application.

**d. Minimum Rating Score.** Applicants must receive at least 18 points under Rating Factor 1 of this NOFA, "Capacity of the Applicant and Relevant Organizational Staff." Applicants must receive a total score of 75 points or more for Rating Factors 1 through 5. HUD will reject any application that does not meet these minimum rating score requirements.

**e. Ranking.** All eligible applicants will be placed in rank order based on the total application score.

**f. Tie Scores.** If two or more applications have the same score, the applicant with the highest score for Rating Factor 1 of this NOFA, ("Capacity of the Applicant and Relevant Organizational Staff"), will be ranked higher. If a tie remains, the applicant with the highest score for Rating Factor 3 of this NOFA, ("Soundness of Approach"), will be ranked higher.

**2. Award Amount.** HUD will not fund any portion of an application that is ineligible for funding. HUD may fund less than the amount requested by a successful applicant based on the following:

a. HUD may adjust the funding amount to ensure the development of housing on a national, geographically diverse basis as required by the SHOP statute.

b. HUD may reduce a SHOP grant award for inadequate program performance, including:

(1) Delays in meeting performance targets, including:

(i) Unit completion and conveyance delays,

(ii) Slow grant fund disbursement rate,

(2) The return and/or deobligation of SHOP or other grant funds, and

(3) Unresolved audit or monitoring findings.

(4) For new applicants, any performance issues reported by the references provided by the applicant in response to Rating Factor 1.

c. HUD may also reduce a SHOP grant award depending on the extent to which the applicant fails to exceed the minimum number of sweat equity hours and/or the minimum sweat equity valuation as described in Section III. F.(8) of this NOFA.

In no case shall the grant award be less than the amount necessary to fund the statutory 30-unit minimum.

If any funds remain after all grant award selections have been made, the remaining funds may be available for subsequent SHOP competitions.

## **VI. Award Administration Information.**

### **A. Award Notices.**

Following the evaluation process, HUD will notify successful applicants of their selection for funding. HUD will also notify other applicants, whose applications were received by the deadline, but have not been chosen for award. Notifications will be sent by email to the person listed as the AOR in item 21 of the SF424.

**Negotiation.** After HUD has made selections, some HUD programs may negotiate specific terms of the funding agreement and budget with selected applicants. If HUD and a selected applicant do not successfully conclude negotiations in a timely manner, or a selected applicant fails to provide requested information, an award will not be made to that applicant. In this case, HUD may select another eligible applicant. Consult the program NOFA for specific details.

HUD may impose special conditions on an award as provided under 2 CFR 200.207:

- Based on HUD's review of the applicant's risk under 2 CFR 200.205;
- When the applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award;
- When the applicant or recipient fails to meet expected performance goals; or
- When the applicant or recipient is not otherwise responsible.

**Adjustments to Funding.** To ensure the fair distribution of funds and enable the purposes or requirements of a specific program to be met, HUD reserves the right to fund less than the amount requested in an application.

a. HUD will fund no portion of an application that:

- (1) Is not eligible for funding under applicable statutory or regulatory requirements;
- (2) Does not meet the requirements of this notice; or
- (3) Duplicates other funded programs or activities from prior year awards or other selected applicants.

b. If funds are available after funding the highest-ranking application, HUD may fund all or part of another eligible fundable application. If an applicant turns down an award offer, or if HUD and an applicant do not successfully complete grant negotiations, HUD may make an offer of funding to another eligible application.

c. If funds remain after all selections have been made, remaining funds may be made available

within the current FY for other competitions within the program area, or be held for future competitions, or be used as otherwise provided by authorizing statute or appropriation.

d. If, after announcement of awards made under the current NOFA, additional funds become available either through the current appropriations, a supplemental appropriation, other appropriations or recapture of funds, HUD may use the additional funds to provide additional funding to an applicant awarded less than the requested amount of funds to make the full award, and/or to fund additional applicants that were eligible to receive an award but for which there were no funds available.

**Funding Errors.** If HUD commits an error that when corrected would cause selection of an applicant during the funding round of a Program NOFA, HUD may select that applicant for funding, subject to the availability of funds.

**1. Notification.** If you are awarded a SHOP Grant, HUD will notify you in writing of the amount of your Grant award. HUD will also execute and send you your SHOP Grant Agreement. You must sign and date your SHOP Grant Agreement and return it to HUD. Upon receipt of your fully executed SHOP Grant Agreement, HUD will establish your Line of Credit and notify you when your SHOP Grant funds are available for drawdown. The date of this notification is the date your SHOP period of performance begins.

**2. Reporting Instructions.** All successful applicants must comply with the SHOP Grant Reporting requirements in Section VI.C.3 of this NOFA and the SHOP award grant agreement.

**3. Performance and Compliance.** HUD will evaluate your performance and compliance with the requirements of this NOFA and your approved application. HUD expects you to fulfill the commitments that you make as part of your application. HUD will require corrective action when you fail to perform adequately.

**a. Period of Performance.** The SHOP statute requires the Secretary “to recapture any grant amounts provided to the organization that are not used within 24 months after the amounts are first disbursed to an organization or consortium except that such period shall be 36 months...in the case of grant amounts provided to a local affiliate...that is developing five or more dwellings.” You must expend all SHOP grant funds within 24 months of the date that HUD makes the SHOP grant funds available for drawdown in your Line of Credit, except that SHOP grant funds provided to an affiliate that develops five or more SHOP units (and SHOP grant funds used by you for directly related administrative costs) must be expended within 36 months of the date that HUD makes the SHOP grant fund available for drawdown in your Line of Credit. HUD will deobligate any grant funds that have not been expended by the period of performance deadline.

**b. Timely Performance.** You and your affiliates must develop and convey all SHOP units within 36 months of the end of the SHOP period of performance. HUD may grant an extension to your performance schedule only when justified by good cause. HUD will require corrective actions when you exceed your approved grant schedule.

If you are a consortium, the lead entity is responsible for the timely performance and compliance of all consortium members, and for ensuring that any required corrective actions are undertaken in a timely manner.

## **B. Administrative, National and Department Policy Requirements for HUD recipients.**

For this NOFA, the following Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards apply. Please [Click here](#) to read the detailed description of each applicable requirement.

### **1. Compliance with Non-discrimination and Other Requirements**

Unless otherwise specified, these non-discrimination and equal opportunity authorities and other requirements apply to all NOFAs. Please read the following requirements carefully as the requirements are different among HUD's programs.

- Compliance with Fair Housing and Civil Rights Laws, Which Encompass the Fair Housing Act and Related Authorities (cf. 24 CFR 5.105(a)).
  - Affirmatively Furthering Fair Housing.
  - Economic Opportunities for Low-and Very Low-income Persons (Section 3).
  - Improving Access to Services for Persons with Limited English Proficiency (LEP).
  - Accessible Technology.

### **2. Equal Access Requirements.**

### **3. Ensuring the Participation of Small Disadvantaged Business, and Women-Owned Businesses.**

### **4. Equal Participation of Faith-Based Organizations in HUD Programs and Activities.**

### **5. Real Property Acquisition and Relocation.**

### **6. Participation in HUD-Sponsored Program Evaluation.**

### **7. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.**

### **8. Drug-Free Workplace.**

### **9. Safeguarding Resident/Client Files.**

### **10. Compliance with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L.109-282) (Transparency Act), as amended.**

### **11. Eminent Domain.**

### **12. Accessibility for Persons with Disabilities.**

### **13. Conducting Business in Accordance with Ethical Standards/Code of Conduct.**

### **14. Environmental Requirements.**

Compliance with 24 CFR part 50 or 58 procedures is explained below:

You and your affiliates must comply with the SHOP environmental review requirements. All SHOP assistance is subject to the National Environmental Policy Act of 1969 and related Federal environmental authorities and regulations at 24 CFR part 58, or 24 CFR Part 50 when the unit of general local government within which the project is located (other responsible entity) declines or is unable to perform the environmental review procedure under 24 CFR Part 58 (as determined by the HUD Field Office CPD Division Director in accordance

with HUD's instructions).

You and your affiliates must not undertake any project or activity or commit HUD or non-HUD funds or assistance to a project or activity that could limit reasonable choices or could produce an adverse environmental impact, until all required environmental reviews and notifications have been completed, and HUD approves your request for release of funds under the environmental provisions contained in 24 CFR part 58 or you receive HUD's approval of the project or activity under 24 CFR part 50, as applicable. Notwithstanding the preceding sentence, in accordance with 24 CFR 58.22(e), section 11(d)(2)(A) of the Housing Opportunity Program Extension Act of 1996 and HUD Notice CPD-16-12, you or your affiliate may advance non-grant funds to acquire land before completion of an environmental review and HUD's approval of a request for release of funds and environmental certification.

Any advances to acquire land prior to such approval are made at the risk of you and/or your affiliate and reimbursement from SHOP grant funds for such advances will depend on the result of the environmental review and award of SHOP grant funds under this SHOP NOFA. Refer to SHOP NOFA Section IV.F. "Funding Restrictions" for additional guidance.

### **C. Reporting.**

HUD requires recipients to submit performance and financial reports under OMB guidance and program instructions.

**1. Reporting Requirements and Frequency of Reporting.** Applicants should be aware that if the total Federal share of your Federal award includes more than \$ 500,000 over the period of performance, you may be subject to post award reporting requirements reflected in Appendix XII to Part 200-Award Term and Condition for Recipient Integrity and Performance Matters.

**2. Performance Reporting.** All HUD-funded programs, including this program, require recipients to submit, not less than annually, a report documenting achievement of outcomes under the purpose of the program and the work plan in the award agreement.

**3. Race, Ethnicity and Other Data Reporting.** HUD requires recipients that provide HUD-funded program benefits to individuals or families to report data on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of HUD programs in order to carry out the Department's responsibilities under the Fair Housing Act, Executive Order 11063, Title VI of the Civil Rights Act of 1964, and Section 562 of the Housing and Community Development Act of 1987. NOFAs may specify the data collection and reporting requirements. Many programs use the Race and Ethnic Data Reporting Form HUD-27061, U.S. Department of Housing OMB Approval No. 2535-0113.

#### **D. Debriefing.**

For a period of at least 120 days, beginning 30 days after the public announcement of awards under this NOFA, HUD will provide a debriefing related to their application to requesting applicants. A request for debriefing must be made in writing or by email by the authorized official whose signature appears on the SF424 or by his or her successor in office and be submitted to the point of contact in Section VII Agency Contact(s), below. Information provided during a debriefing may include the final score the applicant received for each rating factor, final evaluator comments for each rating factor, and the final assessment indicating the basis upon which funding was approved or denied.

#### **VII. Agency Contacts.**

HUD staff will be available to provide clarification on the content of this NOFA.

Questions regarding specific program requirements for this NOFA should be directed to the point of contact listed below.

Thann Young, Senior CPD Specialist  
1-877-787-2526 or (202) 708-2290  
[jackie.williams@hud.gov](mailto:jackie.williams@hud.gov)

Persons with hearing or speech impairments may access this number via TTY by calling the toll-free Federal Relay Service at 800-877-8339. Please note that HUD staff cannot assist applicants in preparing their applications.

#### **VIII. Other Information.**

##### **1. National Environmental Policy Act.**

A Finding of No Significant Impact (FONSI) with respect to the environment has been made for this NOFA in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

The FONSI is available for inspection at HUD's Funding Opportunities web page at:  
[https://www.hud.gov/program\\_offices/spm/gmomgmt/grantsinfo/fundingopps](https://www.hud.gov/program_offices/spm/gmomgmt/grantsinfo/fundingopps).

Applicants may use the checklist below as a guide when preparing your application package.

**Application Checklist.** In order to receive full consideration for funding, you should use the following checklist to ensure that all requirements are addressed and submitted with your electronic application.

##### **1. Standard Forms (no page limit).**

\_\_\_\_ SF424\_Application\_for\_Federal\_Assistance (Your organization's nine-digit ZIP code (basic five-digit ZIP code plus four digits) must be included in Box 8d)

\_\_\_\_\_ SF424\_Supplement\_Survey\_on\_Ensuring\_Equal\_Opportunity\_for\_Applicants ("Faith Based EEO Survey "SF-424-SUPP" on [Grants.gov](https://www.grants.gov))

**2. Applicant Eligibility (no page limit).**

\_\_\_\_\_ Experienced National or Regional Self-help Housing Nonprofit  
\_\_\_\_\_ Consortium Participating Members and Agreement (if applicable)  
\_\_\_\_\_ Code of Conduct

**3. SHOP Program Design and Scope of Work (25 page limit) (See Section IV.B.1.b.)**

\_\_\_\_\_ SHOP Program Summary (not included in the 25 page limit)  
\_\_\_\_\_ SHOP Budget (not included in the 25 page limit)  
\_\_\_\_\_ SHOP Grant Schedule (not included in the 25 page limit)  
\_\_\_\_\_ Service Area  
\_\_\_\_\_ Property Standards  
\_\_\_\_\_ Homebuyer Income Eligibility  
\_\_\_\_\_ Housing Counseling  
\_\_\_\_\_ Sweat Equity  
\_\_\_\_\_ Volunteer Labor  
\_\_\_\_\_ Homebuyer Financial Contribution  
\_\_\_\_\_ Sale Price  
\_\_\_\_\_ Mortgages and Other Loans  
\_\_\_\_\_ Affirmatively Furthering Fair Housing  
\_\_\_\_\_ Economic Opportunities for Low- and Very Low-income Persons (Section 3)  
\_\_\_\_\_ Audit  
\_\_\_\_\_ Affiliates (if applicable)  
\_\_\_\_\_ Mutual Self-help Housing Programs (if applicable)  
\_\_\_\_\_ Monitoring Plan  
\_\_\_\_\_ Typical SHOP Unit Table (not included in the 25 page limit)

**4. Narrative Statements for Rating Factors (30 page limit or 35 page limit for a consortium).**

\_\_\_\_\_ Factor 1 - Capacity of the Applicant and Relevant Organizational Staff  
\_\_\_\_\_ Factor 2 - Need/Extent of the Problem (four page limit)  
\_\_\_\_\_ Factor 3 - Soundness of Approach

\_\_\_\_\_ Factor 4 - Leveraging Resources

\_\_\_\_\_ Factor 5 - Achieving Results and Program Evaluation

**5. Forms, Certifications and Assurances (no page limit).**

\_\_\_\_\_ HUD\_424\_CB\_Grant\_Application\_Detailed\_Budget ("HUD Detailed Budget Form" on [Grants.gov](https://www.grants.gov))

\_\_\_\_\_ HUD\_424\_CBW\_Grant\_Application\_Detailed\_Budget\_Worksheet

\_\_\_\_\_ Attachment to HUD\_424\_CBW ("Identification of Federal Program Sources and Amounts" e.g. HUD HOME, HUD CDBG, USDA Sec. 502)

\_\_\_\_\_ SF\_LLL\_Disclosure\_of\_Lobbying\_Activities (as applicable)

\_\_\_\_\_ HUD\_2880\_Applicant/Recipient\_Disclosure/Update\_Report ("HUD Applicant Recipient Disclosure Report")

\_\_\_\_\_ HUD\_2993\_Acknowledgement\_of\_Application\_Receipt (for applicants submitting paper applications only)

\_\_\_\_\_ HUD\_96011\_Third\_Party\_Documentation\_Facsimile\_Transmittal ("Facsimile Transmittal Form" on [Grants.gov](https://www.grants.gov). HUD will not be able to match faxes to your application if your application does not contain this form and each Fax does not use the HUD-96011 cover page)

**6. Appendices (no page limit).**

\_\_\_\_\_ Evidence of Non-profit Status (for new applicants or consortium members; refer to SHOP NOFA Section IV.B.1.a.(1))

\_\_\_\_\_ Consortium Participating Members, if applicable (refer to SHOP NOFA Section IV. B.1.a (2))

\_\_\_\_\_ Code of Conduct (refer to SHOP NOFA Section IV.B.1.b. (3))

\_\_\_\_\_ Affiliates, if applicable (refer to SHOP NOFA Section IV. B.1.b (17))

\_\_\_\_\_ Typical SHOP Unit Table (refer to SHOP NOFA Section IV.B.1.b. (20))

\_\_\_\_\_ Performance Reports (for new applicant, refer to SHOP NOFA Section V.A.1. Rating Factor 1)

\_\_\_\_\_ References (for new applicants; refer to SHOP NOFA Section V.A.1 Rating Factor 1)

\_\_\_\_\_ Leveraged Resources Committed and Received Chart (refer to SHOP NOFA Section V.A.1. Rating Factor 4)

\_\_\_\_\_ Leveraged Resources Proposed Chart (refer to SHOP NOFA Section V.A.1. Rating Factor 4)